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ABSTRACT

The document reports on a study of expenditures and funding patterns in the State of Idaho's educational programs for exceptional (handicapped and gifted) children. Information is provided concerning the costs of education programs for such children in Idaho school districts for the school year 1976-77; and recommendations are made with regard to alterations or improvements in the funding pattern for financing such programs, and policies in the present administrative, reporting, and incentive features of Idaho's financing of such programs. Seven methods of funding exceptional child education programs are reviewed, including reimbursement for personnel, weighted formula, and excess cost. Pupil weighting systems are discussed as means to equalize educational resources based on the varying needs of individual students. Eight program delivery models that are part of Idaho's provisions for educating exceptional children are reviewed: resource program, gifted/talented, self contained program, secondary vocational program, itinerant services, contractual, special design, and residential services. The bulk of the report is devoted to specific study data. (DLS)

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EXPENDITURES AND FUNDING PATTERNS IN IDAHO'S PROGRAMS FOR EXCEPTIONAL CHILDREN

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March, 1979

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FOREWORD

This study of Idaho's program for financing education for exceptional children constitutes one part of a comprehensive look at Idaho's state school finance program. The primary purposes of this study were to (1) provide information concerning the cost of educational programs for exceptional children and regular school programs in Idaho school districts, (2) make recommendations with regard to alterations or improvements in the funding pattern for financing educational programs for exceptional children in Idaho, and (3) make recommendations with regard to policies in the present administrative, reporting and incentive features of the Idaho program for financing programs for exceptional children.

We wish to express our appreciation to the many persons who assisted us in our efforts. We are particularly indebted to the following individuals who helped us identify and collect the data we needed, and who shared with us their knowledge of Idaho's programs for providing education and training to exceptional children:

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EXPENDITURES AND FUNDING PATTERNS IN IDAHO'S PROGRAMS FOR EXCEPTIONAL CHILDREN

Part I. Introduction

The provision of adequate and appropriate educational programs for exceptional children is a problem which has attracted a great deal of discussion and debate in recent years. State and federal court decisions have clearly established that exceptional children are protected by the due process and equal protection clauses of the Fourteenth Amendment, and that they may neither arbitrarily be denied an education nor may they arbitrarily be denied the benefits of educational programs that are available to other children. The federal government has entered the field in a major way in enacting P.L. 94-142, the Education for All Handicapped Children Act, which imposes a set of processes and procedures designed to protect the rights of handicapped children and promises a major commitment of federal funds to help state and local school districts meet the "excess costs" of educational programs for the handicapped. Unfortunately, the promise of a growing amount of federal funds has not been fulfilled and is not likely to be fulfilled in the foreseeable future.

It is with the states and local school districts that responsibility for meeting the educational needs of exceptional children ultimately rests. States have devised a variety of ways to fund educational programs for exceptional children. Before turning to the specifics of Idaho's program of state support for exceptional child programs it may be instructive to consider the methods currently in use.

Part II. State Support of Education for Exceptional Children

Although educational programs for exceptional children have existed for many years, it is only in recent years that such programs have become an integral part of American public education. As McLure (1975) has noted, prior to 1950 severely handicapped individuals were generally placed in residential institutions and public school programs for exceptional children were primarily for children who possessed rather serious emotional, physical, or mental handicaps. These programs were financed primarily by categorical state aid which served to pay for the extra cost incurred primarily as a result of small class size. Teachers often were offered bonuses as an incentive to teach such classes.

Several methods of funding have been used by states in recent years to assist local educational agencies in financing programs and services for exceptional children. Drawing upon the work of Thomas (1973), Marinelli (1976) identified seven methods employed by one or more states: (1) unit basis, (2) weighted formula, (3) percentage reimbursement, (4) reimbursement for personnel, (5) straight sum reimbursement, (6) excess cost, and (7) reimbursement for noninstructional services and capital outlay.

Unit basis. Under this method, a fixed sum is provided for each unit and a unit typically is defined as a specified number of children assigned to a special class. Districts certify the number of students enrolled in their special classes and the state allocates funds accordingly. Growth in the number of units often has arbitrarily been limited to a specified percentage, which tends to inhibit development of new or additional exceptional child programs. Unit funding tends to promote the development of special classes and discourages resource room and mainstreaming programs. Other problems include (1) an incentive to maximize class sizes so as to decrease per pupil cost, (2) small school districts have difficulty generating enough special education classroom units to operate efficiently, (3) higher costs during the first year of a program are not reimbursed, and (4) a lack of incentive, if not a disincentive, for mainstreaming.

Weighted formula. Under this method weights are assigned to exceptional children in special programs which approximate the cost of providing such programs relative to the cost of a specified basic program, typically the cost of the regular elementary school program. The per pupil expenditure for the basic program is multiplied by the weight for each weighting category to determine the amount of funds to be allocated for each student. This method permits the full cost of special education programs to be included in the general state aid formula. In practice, however, difficulties arise in determining the appropriate weights, since the cost of similar programs will vary from one district to another for reasons beyond the control of the district (population sparsity, high or low incidence of handicapping conditions, etc.).

Percentage reimbursement. In this method the state reimburses a set percentage of all costs incurred in providing special education programs. One problem, of course, is that of identifying all costs associated with programs for exceptional children. This approach also may lead to inappropriate placements if the percentage reimbursed is too low, for local districts will tend to place children in less expensive programs. From the state's point of view, the total claims on the state treasury are virtually unlimited unless a maximum expenditure per pupil is imposed. This problem can be offset, however, by requiring that funds be prorated if the claims exceed the amount appropriated.

Reimbursement for personnel. This is a variation of the percentage reimbursement approach in which a local school district is reimbursed for all, or a specified percentage of the cost of special education teachers, administrators and supervisors, psychologists, and other professional and noncertified support staff. One drawback of this approach is that, while personnel costs represent the largest single cost factor in special programs, they do not represent all of the direct and indirect costs involved in special education. This approach also may discourage mainstreaming unless care is taken to provide reimbursement for personnel involved in mainstreamed classes.

Straight sum reimbursement. Under this approach the reimbursement to local school districts by the state is a specified amount of money allocated for each exceptional child served in the district. Unfortunately, straight sum reimbursements often have little relationship to true program cost. There is a tendency for school districts to use inappropriate placements and to maximize class sizes when this funding approach is used.

Excess cost. Excess cost is defined as the amount by which the per pupil expenditure for exceptional students exceeds the per pupil expenditure for other students. Under this approach, the maximum reimbursement would be the difference in cost multiplied by the number of exceptional children served. The excess cost can be completely reimbursed by the state, or reimbursed up to a maximum amount, or reimbursed on a percentage or prorated basis. Among the difficulties in this approach are determining the excess cost of a program and ensuring comparability between districts. A common program format and accounting procedures are necessary to ensure comparability between districts.

Special reimbursements for noninstructional services and capital outlay. In addition to the six approaches discussed above, some states have provided special reimbursement for noninstructional costs such as transportation, food service and the like. Three methods have been used to reimburse noninstructional cost: (1) full state funding based on budget approval, (2) state funding of full cost allowances based on guidelines, and (3) state and local sharing based on a percentage of the total cost. Occasionally support has been provided for the capital outlay expenditures required to remodel facilities to accommodate special education programs or to remove architectural barriers in existing buildings. Providing reimbursement for capital outlay expenditures is not without problems, however, for

care must be taken that such expenditures do not result in segregated facilities for handicapped children, thus reducing the prospect for their eventual integration into regular school programs.

The Idaho state support program uses two methods for determining state support to local school districts. Weights are assigned to exceptional children based upon the exceptional child sparsity factors in the general foundation program and the state also reimburses local districts for 80 percen of the salaries paid ancillary personnel involved in exceptional child programs. In view of the current interest in more sophisticated weighting systems, and because Idaho currently uses various weighting factors in its general foundation program, a more detailed review of pupil weighting systems will be presented in the following section.

Part III. Pupil Weightings

Impelled by the increasing demands for property tax relief, as well as a growing concern for greater equality of educational opportunity, a number of states have substantially modified their general school finance formulas in recent years. Most of these reform efforts, however, have paid more attention to the revenue dimension than to the allocation dimension of state school finance. That is, many states have reexamined how funds to support public schools were raised and, in an effort to promote greater tax equity, many of them have tried to reduce the local property tax burden by increasing the level of state support for education.

Unfortunately, many legislators and other educational policy makers have come to view equal spending per pupil by local school districts as synonymous with equal educational opportunity. School finance experts know, however, that spending equal dollars for students who have varying educational needs will not provide them with equal educational opportunity. In fact, unequal educational opportunities are inevitable if state support models do not take into consideration such factors as students' socioeconomic backgrounds, physical and mental handicaps, language deficiencies, vocational needs, and other student characteristics. It may be argued persuasively that unless variations in the cost of necessary educational programs are taken into account, spending equal dollars for the education of students in all school districts in the state is likely to result in even greater inequality of educational opportunity than currently exists.

While the states in which school finance reform has occurred have tried to address inequities on the revenue side of their school financing system, many of them have virtually ignored the issue of equity in educational opportunity for students. However, some states have adopted pupil weighting systems in an effort to deal more adequately with the goal of achieving equal educational opportunity. The weighted pupil approach is based on the fact that each student is a unique human being with different needs and abilities. Thus, the type of educational program a student needs should be

an important factor in determining the amount of state aid which will be allocated to local units. States use pupil weighting systems in an attempt to distribute educational dollars more nearly in accordance with the varying needs of students.

The Rationale for Pupil Weightings

The use of various types of weightings in state school finance programs has been practiced for many years. Many states currently incorporate some type of weighting in their state support programs--for example, adjusted instructional units, weightings for sparsity and density, and pupil cost indices. States may assign pupil weightings for certain grade levels, for certain programs, and for certain student characteristics. In addition, states may assign weightings to local districts for demographic characteristics which take into consideration such factors as cost of living, local unit size, and population sparsity. At the present time approximately 20 states use at least one weighting factor in allocating funds to local administrative units. Several states, for example, use a weighting system to fund differentially for elementary and secondary students. A few states use a weighting system to fund differentially for exceptional students--those with mental, physical or emotional handicaps. Approximately 15 states use two or more differentials to adjust for density, sparsity, grade level, and special programs. Recently, three states--Florida, New Mexico and Utah--have adopted rather extensive pupil weighting systems.

The notion of pupil weightings merely involves establishing cost ratios and cost indices for different types of school programs. To establish these ratios, a state typically designates a program or programs to serve as the basic unit, which is usually given a numerical value of 1.00. States typically have used the elementary level, for example, grades one through six or four through eight, to establish the cost of the basic unit. A program costing twice as much per pupil as the basic unit, for example, a program for exceptional children or a vocational education program, would be assigned an index of 2.0. If it costs a local unit twice as much to operate a particular program than it does to operate the base program, then each student in the more costly program is counted twice for funding purposes. In this manner a state acknowledges and provides for the different resource requirements of various school programs designed to meet the needs of individual students.

Although historically the individual pupil has been the basic unit of educational need, the way we have measured pupils has changed over the years. Initially a simple census count of a local unit's pupils was deemed satisfactory. More recently, a local unit's pupil count has been defined in terms of average daily attendance, average daily membership, or full time equivalent students.

During the late 1960s, the National Educational Finance Project (NEFP) conducted extensive research to identify the relative costs of various types of school programs. Rossmiller (1970) and McLure (1970), in separate NEFP studies, used similar methodology to examine the cost of

programs for exceptional education and programs for early childhood and basic elementary and secondary education, respectively. More recently, the concept of weighting pupils has been extended to students enrolled in vocational and compensatory educational programs.

Advantages of Pupil Weighting Systems

Pupil weighting systems have certain distinct advantages when they are carefully developed and applied. First, they help focus attention where it belongs by placing emphasis on the child to be served. Cost differentials serve to focus attention on the needs of individual students. While additional resources generally are provided for meeting these needs, a state need not specify how the needs should be met. This flexibility gives local administrative units considerable freedom to devise programs for different types of students in different geographic and demographic situations. Jordan (1976) has indicated that this will "open up the system" to explore creative ways for providing educational programs and services.

Second, pupil weighting systems facilitate the consolidation of categorical funding grants. This attribute has the advantage of enabling state policy makers to consider the needs of all pupils in a single overall funding plan--those in special education, vocational education, compensatory education, and those in regular programs. State policy makers can thus consider simultaneously the varying resource requirements of the different programs, and attempt to maintain an appropriate balance between these programs in relation to each other and in relation to the basic program. Furthermore, as Lepert and his colleagues (1976) have noted, state policy makers would no longer have to contend with as much pressure for increased aids from the various special interest groups concerned with each type of special student, since individual categorically funded programs would no longer exist.

McLure (1973, p. 30) has cited the following advantages for the use of cost differentials in state school finance formulas:

(1) To make allowance for variable concentrations of pupils among districts in need of higher than regular cost programs.

(2) To avoid penalizing some districts and rewarding others because of differences in grade levels that are served.

(3) To improve present cost units (pupil or instructional) in use for distribution of funds.

(4) To improve the quality of financial information that can be related more effectively to the educational results.

Establishing Pupil Weightings

Three basic approaches can be used in establishing pupil weights. In the most common method, which was used in the NEFP studies, an attempt is made to identify what is actually being spent on the various educational programs in a state. The methodological steps consist of (1) identifying the differentiated program structure for which cost differentials and cost indices are needed; (2) selecting a representative sample of local administrative units for the study; (3) collecting the data necessary for computing the variations in program costs; and (4) examining the cost configurations of educational programs. Based on an analysis of the variation in expenditures for different educational programs, an average cost differential for the state (or regions within a state) is computed for each program of interest and this cost differential is used in constructing a cost index for the program.

Another method for determining weights is by edict. In 1973, for example, the Florida legislature assigned a weight of 1.20 to pupils in Kindergarten through Grade 3. Despite data clearly documenting that secondary schools were considerably more expensive to operate than elementary schools, the Florida legislators believed that the primary grades were more important educationally, and therefore chose to provide additional funds for the early schooling years. Similarly, the Utah legislature has set the weights for all regular program grade levels at 1.0 even though local units in the state historically have spent more on secondary education. The Illinois legislature, on the other hand, has set weights at 1.0 for Grades 1 through 8, and 1.25 for Grades 9 through 12.

A third method of setting weights is to turn to a group of experts. School finance experts and state policy makers, along with specialists representing the various curricular areas and grade levels, could specify the level of funding that should be provided for a basic educational program and the additional funding levels necessary for various special programs. This procedure would overcome the shortcomings inherent in simply relying upon historical expenditure patterns in constructing a set of weights. Cost effectiveness analysis could be used to compare alternative educational programs and help school personnel choose delivery systems on the basis of least cost and greatest effectiveness.

Some Problems in Pupil Weighting Systems

In addition to the difficulties involved in determining the appropriate weights, a number of related problem areas must be considered when devising a pupil weighting scheme. One question concerns the selection of programs for which weights are to be developed. Programs are weighted in different ways among the various states. One of the most common distinctions for funding programs is simply weighting programs for particular grade levels or for particular age groups. Thus a weighted allocation is made for any pupil within the designated classification, regardless of the program in

which the pupil is enrolled or the specific needs of abilities of the pupil.

In another method, the weighting is based on the specific type of program offered. For example, weights may be assigned separately for programs for handicapped children such as the trainable mentally retarded, emotionally disturbed, speech handicapped, partially sighted, or hard of hearing, and for vocational education programs such as trades and industry, agriculture, and home economics. Under this approach, relative weights would be provided based on the number of full time equivalent students enrolled in the program. As an alternative, students' abilities and physical characteristics are diagnosed (as is done with exceptional children) and weights are allocated on the basis of either the number of students qualifying or the full time equivalent students served. The vast majority of states provide some type of differential funding for various categories of exceptional and vocational education students.

A fourth technique involves the use of local unit weightings based upon geographic or demographic characteristics. Weights may be provided for small local units which cost more to operate, or for sparsely populated areas which incur higher transportation costs. The weights for these factors usually provide for unit-wide adjustments that are applied in addition to individual pupil or program weightings. Approximately 30 states make some allowance in their school financing systems for density and sparsity conditions that impact on local units.

In practice, a state typically adopts some combination of these four methods for weighting pupils. In 1973 Utah developed weightings in four distinct areas where the need for cost indices was apparent--small schools, special education, vocational education, and staff costs. The Utah school aid formula gave additional weighted pupil units to local units with small isolated schools that were declared by the State Board of Education to be necessary. The legislature also adopted weightings for ten specific categories in special education and five categories in vocational education. Because of inconsistent reporting procedures, the legislature chose to distribute half of the special education appropriation according to the designated weightings and half based on each local unit's proportion of the total special education pupil population in the state. The professional staff cost factor made allowance for additional costs incurred by a unit because of the composition of its teaching force.

Another problem area is that of classifying and counting pupils. A pupil weighting system usually requires the state education agency to establish criteria for the placement of pupils in the more expensive special programs. If any doubt exists about the needs of individual students, local units will have a strong incentive to place them in high cost programs. And a state may soon experience unexpected growth in these programs. A classification system must specify clear criteria for diagnosing the needs of pupils and for placing them in appropriate programs.

A related policy question involves how a pupil should be counted. This issue has generated considerable debate in the past, and it becomes

even more complex under a weighted pupil allocation formula. One of the first problems encountered is whether to fund pupils solely on the basis of their enrollment in some program, or whether to fund pupils based on some other measure, for example, the amount of time they actually spend in the program. The latter method is based on the concept of a full time equivalent pupil (FTE) and is the procedure typically used for counting students in pupil weighting studies. Although this procedure requires much more precise data, it does provide for student support in direct relationship to the time they spend in specific programs.

How local units classify and count students, of course, will have an impact on the amount of state aid they receive. There is little reason to establish weighting systems based on participation in specific programs unless there is some assurance that the funds are being spent for the students and programs which generated them. Thus, pupil weighting systems require cost accounting techniques that are more sophisticated than those currently found in most local units. The magnitude of the data required for pupil weighting systems generally makes automated data processing a necessity.

Some states that have adopted pupil weighting systems have attempted to devise cost accounting procedures to partition expenditures by programs and to assure that funds are spent on the designated programs. In Florida, for example, legislators were concerned that local units might not place the desired emphasis on the primary grades and other designated programs as the legislature mandated. They also were concerned that the additional dollars generated by pupils in one school within a district might be spent on pupils in another school by expanding program offerings, increasing teacher salaries, or reducing teacher/pupil ratios. Accordingly, every local unit in Florida was required to maintain accounts on a school-by-school basis with each school becoming, in effect, a cost center.

New Mexico, on the other hand, has adopted a rather extensive pupil weighting system that is noteworthy for its noncategorical nature. The school finance plan purposely does not include a requirement that any portion of the revenue generated by a given program be traced back to that program. This feature is designed to grant local school boards considerable flexibility in determining how best to provide educational services to their pupils. While some services are mandated, the expenditure and quality of the service is permitted to vary from one district to another.

Limitations of Weighting Systems

Rossmiller (1973, 1974) has described a number of limitations which inevitably accompany the use of cost differentials and cost indices to develop weights to be used in state school financing systems. The most obvious limitation of cost indices is the fact that a cost index for any given program represents an average, typically, a statewide average. It is obvious that one-half of the local districts in the state will be spending more than the statewide average and the remaining one-half will

be spending less than the average. Simply using the statewide average cost of special educational programs as a basis for distributing funds among local units provides no guarantee that adequate provision will be made for the particular needs of pupils in these units. Using the statewide average cost for a particular educational program as a basis for allocating funds confronts the same problem.

A second limitation of cost indices is the fact that they reflect current educational practice. While cost indices can identify current expenditure levels for different special programs, they provide very little evidence about what local units should be spending to deliver quality educational services in these areas. Certain units may be spending more money on some programs because of inefficient practices or diseconomies of scale; other units may not be spending enough on programs because of small student populations or low tax rates. The methodology for constructing weights does not address these difficulties but assumes that on a statewide basis these problems will offset one another.

Similarly, cost indices estimate the relative cost of special educational programs based on the cost of regular educational programs. The indices that are obtained do not provide much information about the efficiency or effectiveness of either regular or special programs. Two districts with identical special education programs and equal expenditures per pupil in such programs could have different cost differentials because of differences in the cost of the regular program in each district. Cost indices for special programs based on inefficient regular programs with unnecessarily high costs may be too low; those based on regular programs with inappropriately low costs may be too high. The state may find itself in the position of subsidizing inefficient practices or allocating more funds than needed to some programs at the expense of other programs.

Alternatives to Pupil Weighting Systems

Several alternatives exist for dealing with the variations in educational program costs that are associated with varying student needs. These methods have been used in the past and are still used quite widely by a number of states. One option is simply to ignore program cost differences in the general school aid formula. This does not necessarily mean that programs will not be provided to meet special student needs, but it does assume that local units will allocate funds in accordance with these needs, spending more on some students and less on others. This approach is based on the assumption that the incidence of special need will be spread uniformly across the state, and the research evidence simply does not support this assumption.

A second alternative for funding the differences in program cost involves shifting the responsibility, or some of the responsibility, for educating students with special needs to intermediate units or consortiums of districts. Intermediate units in a number of states operate programs for exceptional and vocational education students. The educational services

offered by the intermediate unit may be provided for by state mandate or by contract between the intermediate unit and local district. The state may provide the bulk of the funding for the intermediate units, or the underlying local districts may provide a major portion of the funding through areawide tax levies or tuition payments.

A major advantage usually cited for the use of intermediate units is that they promote economies of scale. This approach brings together large groups of students with special needs in an effort to provide programs more effectively and more efficiently than can be done at the local district level, where only a few students may have a particular handicapping condition or express a given vocational choice. This arrangement enables the hiring of special teachers with specific skills and the purchasing of special curricular materials and equipment that often would be too expensive for small local units to afford. A major disadvantage of this approach is that children are removed from their local school environment. Thus this approach poses serious problems in situations where pupils are mainstreamed, i.e., are enrolled in special classes for part of the day and participate in regular classes the remainder of the day.

A third option, and one that is used by several states, involves reimbursement for excess cost. Under this type of program, the state designates certain categories of students and programs for which special reimbursement will be provided. Accounting procedures are developed to permit local units to determine the added cost of providing these educational services. The state then reimburses a local unit for all, or a certain percentage, of its added cost. A major advantage of excess cost programs is that the money is spent on the intended children and programs, and only those expenditures that have been incurred are reimbursed. Added cost programs, however, generally require substantial state regulation and control over the curriculum and instructional techniques, at least for those programs for which reimbursements are made. Like the previous method, this procedure also may tend to discourage mainstreaming because the costs involved are much more difficult to identify and aggregate.

Summary

Pupil weighting systems, despite the technical difficulties involved in determining the appropriate weights, attempt to equalize educational resources based on the varying needs of individual students. The distribution of students with exceptional needs requiring special programs with added cost is not spread uniformly among the local districts of a state. Since some local units will always have higher concentrations of pupils who need relatively costly educational programs, it would be well for state school financing programs to make some allowance for these differences. While the use of cost indices to allocate funds among local units has certain limitations, the use of cost indices for statewide planning purposes is particularly helpful. When compared with other alternatives, the use of pupil weighting systems and the development of accurate cost indices will enable state policy makers to estimate much

more accurately the amount of revenue needed to provide adequately for the special educational needs of all children. Although a few states have fully implemented pupil weighting systems, additional research is needed on a state-by-state basis to identify various pupil populations, and to develop and evaluate programs designed to meet the varying needs of exceptional children.

Part IV. Idaho's Provisions for Educating Exceptional Children

Two types of provisions govern Idaho's exceptional child programs. One set of provisions is embodied in the Idaho Code; the second set of provisions is found in the Rules and Regulations of the Idaho State Board of Education.

Provisions of the Idaho Code

The Idaho Code makes each public school district responsible for providing for the education and training of exceptional pupils who reside in that district (33-2001). Exceptional children are those whose handicaps or capabilities are so great that they require special education and services if they are to develop to their fullest capacity (33-202). This definition includes children who are handicapped by physical, mental, emotional, or other impairments as well as academically talented children (33-202). Special services include those provided by certified special education teachers, teacher aides, visiting teachers serving homebound students, speech therapists, hearing therapists, school social workers, school psychologists, and psychological examiners, as well as supervisors and directors of special education programs (33-2002A).

School districts may discharge their responsibility for educating exceptional children by providing programs within the school district, by contracting with another district for the education of such children, or by contracting with a public or private institution approved by the state board of education to provide educational services to exceptional children. When exceptional children are educated by another school district, the child's district of residence is obligated to pay tuition to the receiving district. When a child is educated in some other approved public or private agency, the district of residence is authorized to pay tuition as well as the sum of state and county funds received for the weighted average daily attendance of that child. However, the total amount paid cannot exceed the cost actually incurred by the agency and in no case may exceed 4.8 times the state average cost factor per weighted student (33-2004).

When special educational services are provided by a school district, the district is reimbursed by the state for 80 percent of the salaries of

ancillary personnel engaged in providing services to exceptional children (33-2005A). Idaho's "foundation program" for state school support includes the general educational foundation program, the foundation transportation program, and the foundation exceptional education program (33-1001). Reimbursement of 80 percent of the allowable salaries of certified personnel, teacher aides and directors and supervisors constitutes the foundation program for exceptional education. The state also pays the full cost of social security and retirement for local school district personnel, including those who work in programs for exceptional children.

The foundation program for general education includes a series of weighting factors which are applied to the district's average daily attendance. These include an elementary grades sparsity factor, a secondary grades sparsity factor, an exceptional child sparsity factor, a kindergarten sparsity factor, and a secondary school cost factor. Elementary schools (grades 1 through 6) with less than 300 students in average daily attendance are given a weighting factor ranging from 1.10 for enrollments from 200 to 299 to a factor of 1.25 for enrollments of less than 100. Secondary schools with less than 750 students in average daily attendance receive a weighting ranging from 1.10 for each student for enrollments from 500 to 749 students to a weighting of 1.70 for secondary schools with enrollments of less than 100 students. The exceptional child sparsity factor is applied on a district-wide basis, not a school basis. Districts with ten or more exceptional children receive a weighting factor of 1.60 for each exceptional child in average daily attendance; those with enrollments of four to nine exceptional children receive a weighting factor of 1.70; and those with less than four exceptional children receive a weighting factor of 1.80 for each child in average daily attendance. The kindergarten sparsity factor provides a weighting of .55 for each district with 40 or more children in average daily attendance in kindergarten; a weighting of .65 for kindergarten enrollments of from 28 to 39 students; and a weighting of .75 for kindergarten enrollments of less than 28 students. In addition to the secondary grade sparsity factor, a secondary cost factor of .30 is provided for each student in average daily attendance in a secondary school (33-1002).

In summary, two types of state support are provided for programs for exceptional children. First, districts are reimbursed for 80 percent of the approved cost of salaries paid to teachers, aides, and other ancillary personnel involved in providing educational services to exceptional children. Second, a portion of the state, county and local funds generated by the state's foundation program are attributable to the weightings allowed for the exceptional child sparsity factor. To determine the portion of the general foundation program which may be allocated to special education, it is necessary to prorate the state and county contributions to the foundation program in accordance with the ratio of a district's weighted ADA associated with exceptional child programs to the district's total weighted ADA.

To determine the amount of revenue available for special education in each school district, it is necessary to determine the amount of the total general foundation program revenue which represents the revenue generated by the exceptional child sparsity factor and add to that amount the state

aid provided for the salaries of ancillary personnel. Table 1 provides information concerning revenue generated under the general foundation program and the ancillary personnel allowance (foundation exceptional education program) for 1976-77 for the districts included in the sample for this study.

Administrative Rules and Regulations

The Idaho Code assigns the State Board of Education responsibility for (1) establishing a unit to administer programs for exceptional children, (2) establishing programs and setting standards for programs for exceptional children, (3) establishing a research program to evaluate such programs and (4) formulating and revising regulations and standards for such programs (33-2003). The State Board of Education has formulated and published administrative rules and regulations for special education programs in Idaho. The rules and regulations in effect for the 1976-77 school year were revised and modified prior to the 1977-78 school year. The most significant changes in the administrative rules, at least for purposes of this study, involved changes in staff-student ratios and in approved program models.

In 1976-77 the maximum allowable enrollment in all approved classes except those for severely emotionally disturbed, trainable mentally retarded and multiple handicapped students was 12 students per teacher or 18 students per teacher if a full-time teacher aide was employed. In programs for severely emotionally disturbed, trainable mentally retarded and multiply handicapped students, eight students per teacher was the maximum allowable enrollment, or 12 students with a full-time aide. A limit of 5 percent of the school enrollment was placed on the number of students who could be classified as having learning disabilities and on enrollment in gifted and talented programs. The approved program models in 1976-77 were residential services, self-contained classroom, itinerant services, resource room, resource teacher, diagnostic services, and special design.

For 1977-78, staff-student personnel ratios were established for resource model and self-contained model programs as follows:

Resource Model:	Mild and Moderate	Without Aide--12 With Aide-----18
Resource Model:	Severe	Without Aide---8 With Aide-----12
Self-Contained Model:	Moderate	Without Aide--12 With Aide------8
Self-Contained Model:	Severe	Without Aide---6 With Aide-----10

Table 1

Revenue for Special Education from State, County and Local Sources (Foundation Program) for Sample Districts, 1976-77

School District	Weighted ADA*	Foundation Program Allowance	Allowance for Ancillary Personnel	Total Funds for Special Education
Group A				
Meridian #2	722.55	$449,274	$302,652	$ 751,926
Pocatello #25	1,001.39	628,872	547,735	1,176,607
Bonner #82	339.90	211,346	204,914	416,260
Idaho Falls #91	780.74	485,456	441,587	927,043
Cassia #151	103.49	64,349	87,710	152,059
Orofino #171	131.71	81,896	73,192	155,088
Fremont #215	345.81	215,021	191,962	406,983
Gem #221	18.59	11,559	50,218	61,777
Grangeville #241	153.57	95,488	73,009	168,497
Minidoka #331	200.99	124,973	124,195	249,168
Kellogg #391	173.51	107,887	93,801	201,688
Group B				
Bear Lake #33	49.31	30,660	47,046	77,706
St. Maries #41	118.67	73,788	72,011	145,799
Shelley #60	144.73	89,992	70,764	160,756
Blaine #61	100.82	62,689	98,133	160,822
Boundary #101	126.41	78,601	77,699	156,300
Arco #111	64.16	39,894	50,314	90,208
Middleton #134	28.85	17,939	-0-	17,939
Eastside #201	164.62	102,359	68,114	170,473
Wendell #232	31.92	19,848	24,008	43,856
Salmon #291	140.19	87,169	74,721	161,890
American Falls #381	86.92	54,046	64,154	118,200
Buhl #412	24.78	15,408	16,861	32,269
Group C				
Challis #181	86.18	53,586	30,297	83,883
Glenns Ferry #192	35.20	21,887	20,526	42,413
Ririe #252	57.60	35,815	26,298	62,113
Valley #262	19.20	11,938	-0-	11,938
Whitepine #284	87.72	54,543	45,596	100,139
Kamiah #304	28.80	17,908	10,390	128,298
Sugar-Salem #322	46.40	28,851	24,422	53,273
Lapwai #341	77.44	48,151	33,215	81,366
Oneida #351	58.03	36,083	29,254	65,337
Marsing #363	8.84	5,497	-0-	5,497
New Plymouth #372	57.82	35,952	21,641	57,593
Teton #401	123.40	76,729	52,971	129,700
Cascade #422	36.00	22,385	13,663	36,048
Group D				
Meadows Valley #11	15.98	$ 9,936	$ 7,563	$ 17,499
Garden Valley #71	25.60	15,918	14,913	30,831
Camas #121	19.20	11,938	8,520	20,458
Notus #135	1.67	1,038	-0-	1,038
North Gem #149	-0-	-0-	3,778	3,778
Clark #161	28.64	17,808	10,616	28,424
Worley #275	30.40	18,902	20,089	38,991
Midvale #433	17.60	10,943	2,688	13,631

*Includes special education contracts.

Source: Special Education Report to the Idaho Legislature, January, 1978.

For purposes of state funding only, enrollment of students with learning disabilities is not to exceed 3.5 percent of the school age population. For districts which were funded for over 3.5 percent of the school age population with learning disabilities in 1976-77, the following enrollment maximums were established:

1977-78: 4.5 percent of school age population

1978-79: 4 percent of school age population

1979-80 and thereafter: 3.5 percent of school age population (although exceptions will be made to these student enrollment limits where warranted by circumstances established through an appeal procedure)

Eight program delivery models were identified in the Rules and Regulations for 1977-78. They may be defined briefly as follows:

Resource Program Model. This model is supplementary to the regular classroom. The regular classroom teacher has major responsibility for the educational program of the student. The resource program teacher works in one or more school buildings (or districts) and provides direct services to exceptional students which supplement those provided by the regular classroom teacher.

Gifted/Talented Model. This model may involve either in-school or out-of-school educational programs individualized to meet the specific needs and abilities of gifted or talented students. Five program configurations are identified and the student is expected to spend a minimum of five to six hours per week in a program which has a differentiated curriculum not available in the regular classroom.

Self-Contained Program Model. In this model the special education teacher has major responsibility for the students' educational program, although students within this model are generally integrated into the regular educational program to the extent possible.

Secondary Vocational Program Model. This model involves instruction in academic skills related to personal and vocational areas, training in prevocational or vocational skills, experience in community or school work stations, and/or on-the-job placement.

Itinerant Services Model. In this model a consulting teacher provides back-up support to the special and/or regular educational personnel serving exceptional children. It also includes speech and language instruction provided by a communication disorders specialist, either individually or in

small groups. Educational services provided to homebound students also fall within this model.

Contractual Model. In this model a school district which is unable to provide special programs for exceptional children may contract with other districts or agencies to provide such services.

Special Design Model. Districts may develop programs specially designed to meet the needs of exceptional students. Special design programs must be approved annually by the State Department of Education.

Residential Services Model. Children served in this model are placed in a state-operated residential hospital or school when it is decided that this is the most appropriate treatment.

Ancillary personnel ratios also were modified for the 1977-78 school year. For purposes of state reimbursement, the following ratios of ancillary personnel to student enrollment were established:

Ancillary Personnel	Ratio
School Psychologist	1/2,000
Communication Disorders Specialist	1/2,000
Social Workers	1/2,000
Audiologists	1/6,000
Facilitator of Gifted-Talented	1/2,000
Director of Special Education	1 for each district or combination of districts with 10 special education programs and two or more supportive programs
Supervisor of Special Education	1 for each group of 15 special education programs and/or supportive personnel in addition to those for the Director of Special Education
Consulting Teachers	1 for each group of 15 special education programs
Psychological Examiner	1 for the first two school psychologists and 1 additional examiner for each three additional school psychologists

Instructional aide-student ratios have also been established as follows:

Model	Number of Students
Resource Model: Mild and Moderate	15 or more
Resource Model: Severe	10 or more
Self-Contained Model: Moderate	15 or more
Self-Contained Model: Severe	8 or more
Gifted/Talented Model	40 or more

Exceptions may be made to these ancillary personnel ratios when circumstances warrant. Such circumstances might include unusually large numbers of severely handicapped students, extensive travel requirements, geographic and road conditions, and the like.

Part V. Methodology and Procedures

In this study of exceptional children program costs and cost indices, we used data collected on school district operations for the 1976-77 school year. The 1976-77 school year was chosen because (1) it was believed that the data were most complete for that year and (2) data were being collected for that year for other related studies of the Idaho state support program and our use of the same base year would allow for comparability between the results of this study and other studies.

Population and Sample

The population for this study was all of the public school districts in the State of Idaho during 1976-77. Since we could not study all school districts, our first task was to select a sample of school districts which would be representative of the total population, geographic regions and sizes of school districts in the state. The choices were to either select an independent sample or use the sample previously selected for use in other studies of the state support program. It was decided, in consultation with officials of the State Department of Education, to use the previously selected state sample. This sample would coincide with other studies and facilitate comparison of data, findings and conclusions.

The sample of 45 school districts was selected using a statistical procedure of sequential randomness with forced apportionment, as described in the Interim Report of the Idaho School Finance Study. All school districts in the state were divided into four groups according to the

number of students in average daily attendance (A.D.A.). Districts were selected for the sample from each of the four groups so that percentage-wise, the composition of the sample accurately reflected the total population of districts in the state. Geographic representation was assured by selecting at least one school district from each county. This necessitated selecting the unified county district in each sub-group if such a district were represented in that group. Following is a display of the data on group sizes, percentages and number of districts selected:

ADA of School District	Group	Districts in Each Group, 1976-77	% of Total	No. of Districts in Sample
2,000 or more	A	26	24.8	11
750-1,999	B	27	25.7	12
300-749	C	32	30.5	14
0-299	D	20	19.1	8
	Total	105	100.0	45

As the study progressed and we began to obtain data on exceptional child programs in the sample districts, the sample size was reduced to 40 districts because data were not available from five districts. One district from Group B, two districts from Group C and two districts from Group D were eliminated because they either did not operate a program for exceptional children that was not shared with another district or contracted, or the exceptional program cost data were not readily available or were inconsistent with other reported data. Therefore, our study of expenditures and funding patterns in programs for exceptional children was based on data collected from 11 Group A districts, 11 Group B districts, 12 Group C districts, and 6 Group D districts. Table 2 shows the districts included in the sample, the county in which the district is located, the district's full term A.D.A. and the assessed value of property per A.D.A. for each district.

The number and types of exceptional children served on November 1, 1977 by the districts included in the sample are shown in Table 3. It should be emphasized that children were rarely grouped on the basis of their handicapping conditions in the district programs. In fact, the typical resource room or self-contained special classroom contained children with various handicaps. The data presented in Table 3, however, provide an indication of the distribution of various handicaps. Children with learning disabilities comprised the largest category, accounting for over 37 percent of the total exceptional child count in the sample of districts. Children with speech or language disorders were the next largest group, accounting for over 32 percent of the total exceptional child count. The educable mentally retarded category accounted for over 11 percent of the total and the gifted category included over 9 percent.

Table 2

Idaho School Districts Included in the Sample for the Exceptional Children Program Finance Study

District and District No.	County	Full Term A.D.A.	Assessed Value Per A.D.A.
Group A			
1. Kellogg Jt.-391	Shoshone	2,718	$11,639
2. Grangeville Jt.-241	Idaho	2,122	10,035
3. Cassia County Jt.-151	Cassia	4,492	9,802
4. Bonner County-82	Bonner	4,265	8,716
5. Fremont County Jt.-215	Fremont	2,373	8,514
6. Gem County Jt.-221	Gem	2,367	7,897
7. Idaho Falls-91	Bonneville	8,999	7,779
8. Minidoua County Jt.-331	Minidoka	4,335	7,162
9. Pocatello-25	Bannock	11,735	6,310
10. Orofino Jt.-171	Clearwater	2,332	5,949
11. Meridian Jt.-2	Ada	8,288	5,891
Total or Average =		54,026	$ 8,154
Group B			
1. Blaine-61	Blaine	1,540	$28,318
2. American Falls Jt.-381	Power	1,570	21,922
3. Boundary County-101	Boundary	1,386	11,775
4. Arco Jt.-111	Butte	802	11,725
5. Bear Lake County-33	Bear Lake	1,530	11,255
6. Buhl Jt.-412	Twin Falls	1,382	9,765
7. Salmon-291	Lemhi	1,214	9,215
8. St. Maries Jt.-41	Benewah	1,364	7,904
9. Wendell-232	Gooding	801	7,701
10. Preston-201	Franklin	1,681	7,412
11. Shelley Jt.-60	Bingham	1,727	6,037
Total or Average =		14,997	$12,094
Group C			
1. Glenns Ferry Jt.-192	Elmore	583	$22,244
2. Cascade-422	Valley	307	18,947
3. Oneida County-351	Oneida	745	13,570
4. Shoshone Jt.-312	Lincoln	409	12,727
5. Challis Jt.-181	Custer	469	12,032
6. Teton County-401	Teton	689	10,124
7. New Plymouth-372	Payette	590	10,070
8. Ririe Jt.-252	Jefferson	512	9,329
9. Sugar-Salem Jt.-322	Madison	698	9,242
10. Whitepine-284	Latah	702	9,123
11. Lapwai-341	Nez Perce	636	7,166
12. Kamiah Jt.-304	Lewis	715	6,028
Total or Average =		7,055	$11,717
Group D			
1. Midvale-433	Washington	159	$38,503
2. Worley-275	Kootenai	136	24,360
3. Camas County-121	Camas	211	20,508
4. Clark County-161	Clark	209	20,101
5. Meadows Valley-11	Adams	234	16,821
6. Garden Valley-71	Boise	159	14,614
Total or Average =		1,108	$22,485

Table 3

Exceptional Children Being Served by Sample School Districts Within Special Education Programs as of November 1, 1977

School District	Learning Disability	Educable Mentally Retarded	Trainable Mentally Retarded	Emotionally Disturbed	Speech/ Language	Deaf	Hard of Hearing	Blind	Partially Sighted	Orthopedically Handicapped	Deaf-Blind	Other Health Impairment	Gifted	Other	Total
Group A															
Meridian #2	233	67	9	3	218							1	294		827
Pocatello #25	260	55	31	101	272	5	11		7	17		19	42	26	995
Bonner County #82	165	40	16	6	67		3						37		334
Idaho Falls #91	331	126	30	40	214		1	1		1		1	36	1	782
Cassia County #151	62	17	8	2	98		1			3		2			193
Onofino #171	56	14	3	4	26					1					102
Fremont County #215	143	47	17		115								48	2	372
Gem County #221		22	6	1	41										70
Orangeville #241	56	36	6	1	2					2					101
Minidoka County #331	80	36	9	4	154		1							1	285
Kellogg #391	87	29	7	2	83	1		2	1			2			214
Total	1,582	489	142	164	1,288	6	17	3	8	34	0	25	457	30	4,135
Group B															
Bear Lake #33	19	14	3	6	25			4	3					1	77
St. Maries #41	23	17	1	4	25				4	3			11		88
Shelley #60	49	19		1	55		2		1	4	1	2		1	135
Blaine #61	52	16	2		75										143
Boundary #101	55	15	1	3	19					2					95
Arco #11	22	9			43			1		1		1		11	88
Middleton #134	3	15	3		12										33
Eastside #201	60	2	3		37		1						25		128
Wendell #232	22	6												8	36
Salmon #291	36	22	1	8	39					2	1	1	44	14	168
American Falls #381	56	5	1		80					1				3	146
Buhl #412	6	11	10												27
Total	403	153	25	22	410	0	3	5	8	13	2	4	88	37	1,166
Group C															
Challis #181	14	10		12	27				3			1		15	82
Clarno Ferry #192	38	4	2		24			1				1			70
Birch #252	34	5	1	1	31					1					73
Valley #262		3			62									1	66
Whitepine #284	25	5	1		25		1			1			15		73
Kamiah #304	13	5		1	18										37
Sugar-Salem #322	17	11			27								15		60
Lapwai #341	28	11		7	21		2					1		4	74
Oneida #351	31	1		3	25							1			61
Marsing #363	1	5	2		9										17
New Plymouth #372	32	4			10										46
Teton #401	37	11	5		20								10		83
Cascade #422	19	6	1	1										1	28
Total	289	71	11	26	299	0	3	1	3	2	0	4	40	21	770
Group D															
Meadows Valley #11	11	2	1												14
Garden Valley #71	10				1								4		15
Camas #121	8	4			13										25
Notus #135		2			4										6
North Gem #149	8	3				1			1			1			14
Clark #161	5	1		1						1					8
Worley #275	14	1			9								2		26
Midvale #433	2	1	1		4										8
Total	58	14	2	1	31	1	0	0	1	1	0	1	6	0	116

Source: Special Education Report to the Idaho Legislature, January, 1978.

Data Collection and Analysis
--Program Classification

One purpose of this research was to derive program costs and indices for exceptional children programs in Idaho. The first task was to determine what constituted a program for purposes of this study. There were several options available including defining programs according to handicapping condition, i.e., educable mentally retarded, hard of hearing, emotionally disturbed, learning disabled, and so forth. As Idaho's exceptional children programs tend to be organized around delivery systems and severity of handicap, it was determined that the most logical definition of what constitutes a program should be centered on the delivery system and severity levels.

The reporting system used in Idaho during 1976-77 required that school districts report exceptional children enrollments, teachers, teacher aides, classroom hours and other information in the following three basic areas: Communication Disorders, Gifted and Talented, and Special Education. Data available from the Communication Disorders Enrollment Form included:

Level of Program: Kindergarten, Elementary, Secondary

Type of Program: Itinerant, Regular Schedule, Individual, Single Building, Block Schedule, Group

Severity: Mild, Moderate, Severe

Communication Handicap: Articulation, Language Disorder, Fluency Disorder, Deaf, Hard of Hearing, Voice Disorder, Other

A review of these forms indicated that in each school district with a Communication Disorder program a mix of students generally was served by each special teacher, e.g., there were students with articulation problems, fluency disorders, etc., in each classroom or program. Furthermore, many districts had a mix of program types, e.g., itinerant, individual, block schedule, etc. Given this mix and array of programs and students it clearly was not feasible to determine program costs on the basis of either the type of program or the type of communication handicap. Consequently, we decided to calculate program costs by level of program: K-6 (elementary) and 7-12 (secondary); and by severity: mild, moderate, and severe. The basic rule used was to compute a program cost if five or more programs of a given classification existed among the 40 districts that constituted the sample. Some examples of classifications where five or more programs existed are:

Communication Disorders--Elementary

Communication Disorders--Secondary

Communication Disorders--Elementary: Mild-Moderate

The Gifted and Talented enrollment form provided information on:

Level of Program: Kindergarten, Primary, Intermediate, Jr. High, Sr. High

Type of Program: Academic, Creative, Visual-Performing Arts, Leadership, Combination, Other

Since the gifted and talented programs tended to have a mixture of students classified by type of program, i.e., academic, creative, leadership, etc., it was not feasible to further refine the costs of these programs. The level of program in each district tended to be identified as elementary (K-6) or secondary (7-12); therefore, this classification was used in reporting Gifted and Talented program costs.

The Special Education Enrollment Form provided the most useful information and data used in this study. Exceptionality type (e.g., LD, EMR, TMR, etc.), both major and other, was listed for each student, but as explained previously, students with different types of exceptionality tended to be combined in classrooms and we were more interested in the program delivery system than in the exceptionality; therefore, program costs were not computed according to exceptionality.

Type of delivery system was specified on this form and was categorized as follows:

Self-Contained	Resource Room	Other
Special Design	Home-Bound	
Work Study	Contract	

As contract programs were a separate and distinct category of programs studied, they were not analyzed in this phase of the research. The majority of special education delivery programs were found in the resource room and self-contained types of programs. There were not enough work study programs to meet our lower limit of five programs, thus, work-study program costs are not reported. Although there were only three homebound programs included in the sample, we have reported their costs for informational purposes. Six special design programs were included in the sample and these costs are reported later in this section.

Level of program also was indicated on the Special Education Enrollment Form and included Kindergarten, Elementary (1-6), Secondary (7-13) and Ungraded. Because most kindergarten pupils tended to be included with elementary pupils, we combined these two categories and called it Elementary (K-6). Again, when five or more programs existed at a given level (Elementary, Secondary, or Ungraded), we computed and reported the program costs.

The last classification system of interest in this study was the severity status of each exceptional child. Several combinations were found in the data. Where the enrollment form tended to report predominantly one severity level (mild, moderate, or severe), we computed the program cost on

that severity level. However, many school districts reported classrooms with an approximately equal mix of mild, moderate and severe students; thus, the data tables later in the report will show a breakdown of costs for a self-contained classroom with mild, moderate and severe students as well as other combinations where we found five or more programs.

Data Collection and Analysis --Costing Programs

The generally accepted procedure for deriving program costs is to identify and attribute all of the costs associated with an educational program and calculate the total program cost. There are two distinct steps in this process--attributing direct costs to programs and attributing indirect costs to programs. Direct program costs are those costs that can be directly and logically associated with a program. In education, they generally are those instructional costs that are incurred by persons working directly with students in a program. In this research, for example, all teacher salaries and benefits and all teacher aide salaries and benefits were attributed directly to a program.

Salary data for teachers and aides were taken from the sample districts' reports of ancillary personnel. Since fringe benefits for social security and retirement are provided directly from the state and do not appear in any financial reports submitted by local districts, we calculated these costs independently for each teacher and aide.

Some costs could not be attributed directly to a specific exceptional children program but could be attributed to exceptional children in the district. Such costs included salaries and fringe benefits for special education directors and supervisors, psychologists, social workers and consulting teachers. These costs were attributed directly across all exceptional children. Non-salary costs reported in the General Fund, Exceptional Child Funds Program Report (SDE 650-25) such as supplies, travel, textbooks and employee insurance were attributed to all exceptional children.

All other costs which could not reasonably be attributed to a given program or group of programs were considered indirect costs. General administration (central office), building administration (principals), teacher substitutes, librarians, audiovisual personnel, counselors, secretarial and clerical personnel, attendance services, health services, plant operation, plant maintenance, and certain fixed charges were considered categories of costs assumed equally by all children and were attributed across all pupils--general and special.

The basic objective of this part of the research was to compare certain exceptional children program costs with regular children program costs. To obtain regular program costs, it was necessary to subtract the costs reported in the Exceptional Child Funds portion of the General Fund Report from the Total General Fund categories where duplicate account categories existed. For example, there is an account number "01-0110-031--Supervisors--district

level" which appears on both the General Fund (SDE 650-25) and the Exceptional Child Funds portion of the General Fund report. If a school district had "supervisor--district level" expenditures reported for exceptional children, this amount was subtracted from the total reported for the entire general fund before attributing these costs across regular pupils. Similar calculations were made for each account category that appeared on both reports and it could be assumed that they were separate and distinct costs attributable to either general or exceptional programs. Other examples of this distinction were account categories relating to travel, supervisor and director salaries, teacher salaries, psychologist salaries, teacher aide salaries, textbooks, and teaching supplies.

Expenditures for transportation, food service, student body activities, community services, capital outlay, debt service and other funds which could not be attributed directly or indirectly to either regular or exceptional children were not included in the cost attribution computations. These expenditures tend to be cyclical and cannot be associated in any reasonable manner with a given program or group of programs. They are separate programs that must be cost analyzed independently.

Two school district reports--Approval of School District Ancillary Personnel (Professional Personnel and Classroom Aides) and the Special Education Enrollment Forms discussed earlier--allowed us to match teachers and aides with exceptional children programs. The ancillary personnel forms provided teacher and aide salaries. The special education enrollment forms provided the names of students, teachers and aides. In addition, the enrollment form provided the vital information necessary to calculate the full time equivalent basis for each student. The number of hours a special education student was in an exceptional program also was specified for each student.

The Full Time Equivalent Student as a Unit of Measurement

All direct and indirect costs were allocated to both regular and exceptional pupils using a full-time equivalent (FTE) pupil basis. The FTE basis makes it possible to sort out the portion of time a student spends in a special program from that spent in a regular program and allocate expenditures accordingly. Average daily membership (ADM) or average daily attendance (ADA), the conventional methods of counting pupils, indicate only that a student is enrolled or attending school; they do not indicate the division of a student's time among and between various programs or subjects. In order to accurately determine program costs where students divide their time between two or more programs, it is necessary to allocate costs between and among programs.

The FTE student measure is sometimes confusing to those not familiar with its use because it is <u>not</u> the same as a student headcount. If, for example, five students each spend 20 percent of their school day in a resource room program, they would be equivalent to one FTE student, but the <u>headcount</u> of students in the resource room program would be five. If the same five students each spend 80 percent of their school day in the

regular program, they would be equivalent to four full time equivalent students, but the headcount of students would again be five. The use of the FTE student affords a way to avoid the problem of "double counting" of students.

We assumed that each student attended school 30 hours per week and 180 days per year. While this may not be precisely correct for all school districts included in the sample, it was necessary to adopt a standard measure of attendance for purposes of attributing FTEs and program costs and the assumption we made was a reasonable one. By definition then, an FTE student is one who is in school 30 hours per week, 180 days per year.

To illustrate the computation of FTE student units and to show how they are used in cost calculations, let's assume a school district reports the following data on the distribution of time of students between regular and special programs and let us further assume that the cost of the regular program is $1000 per FTE student and the cost of the special program is $5000 per FTE student.

	Special Program		Regular Program		Program Cost/Student		
Student	Hrs./Wk.	FTE	Hrs./Wk.	FTE	Special	Regular	Total
A	30	1.00	0	0	$ 5,000	0	$ 5,000
B	15	.50	15	.50	2,500	$ 500	3,000
C	10	.33	20	.67	1,650	670	2,320
D	5	.17	25	.83	850	830	1,680
E	1	.03	29	.97	150	970	1,120
F	0.5	.017	29.5	.983	85	983	1,068
G	0	0	30	1.00	0	1,000	1,000
7 Students		2.047		4.953	$10,235	$4.953	$15,188

This illustration shows that Student A spends full time in a special classroom and is therefore counted as 1.0 FTE for that program. Student B spends half time (15 hours per week) in the special classroom, which is equivalent to .5 FTE. Student E spends only one hour per week in the special program, or 3 percent of a 30-hour week--the equivalent of .03 FTE. When the FTEs for these seven students are totaled, the sum is 2.047 FTE with the balance of their time (4.953 FTE) spent in the regular program. Note that the sum of the FTEs in the regular and special programs total 7.0, the number of the students involved.

With regard to the cost of a student's total educational program, the FTE basis clearly shows that cost varies for each student depending upon the proportion of time the student spends in regular and special programs. Student F, for example, spends only one-half hour per week in the special program (a situation quite typical in communication disorders programs) and the excess, or additional cost of the special programs for this student is only $68 ($1068-$1000). The cost of Student B's program, on the other hand, carries an excess cost of $2000 ($3000-$1000), because the student spends a much higher percentage of time in the special programs.

As average daily attendance (ADA) was the closest available approximation to a full time equivalent count for each school district, it

was used as the basic FTE count from which the total exceptional child FTE count was subtracted to obtain the regular program FTE count. For example, if the total ADA (FTE) for a school district was 2,000 and the computed exceptional child FTE for all programs was 20.4, then the regular program FTE count used was 2,000 minus 20.4 = 1,979.6. As described earlier, costs were allocated indirectly across all pupils (2,000), directly across all exceptional pupils (20.4), or directly across all regular pupils (1,979.6).

Part VI. Regular and Exceptional Children Program Costs and Cost Indices

In this section we will report our major findings regarding regular and exceptional child program costs and cost indices in school district programs. Before reporting and discussing the findings it is necessary to define certain terms and column headings that are used in the text and the tables.

Regular Pupil FTE. The number of full time equivalent pupils in the regular programs as determined by subtracting the number of full time equivalent exceptional program pupils from the total number of full time equivalent (ADA) pupils in the school district.

Exceptional Children FTE. The number of full time equivalent pupils in the exceptional child program designated in the first column as derived from the special education enrollment forms discussed in the preceding section of this report.

Sample Group. The sample of school districts was divided into four groups with Group A containing the largest school districts and Group D the smallest school districts.

Enrollment in Exceptional Programs. The total number of pupils served in the program indicated in the first column.

Number of Districts. The number of districts which offered the program indicated in the first column. Because some districts offered more than one type of exceptional program, many of the major program district totals will be less than the sub-program totals.

Range in Cost Per FTE Pupil. The range from the lowest to the highest cost program for each full time equivalent pupil in a major program, sub-program or group of districts indicated in the first column.

Median Cost Per FTE Pupil. Arranging the costs per full time equivalent pupil from lowest to highest, the median cost is the cost per FTE pupil where 50 percent of the costs are higher and 50 percent of the costs are lower than the median cost.

Average Cost Per FTE Pupil. The total of all program costs per FTE pupil for the program indicated in the first column was divided by the number of programs to obtain the average cost per FTE pupil. Essentially, this is the average cost for the set of districts or programs indicated in the first column.

Weighted Average Cost Per FTE Pupil. The total of all program costs (not per pupil) for the program indicated in the first column was divided by the total number of full time equivalent pupils in the program to obtain the weighted average cost per FTE pupil. This method of calculating average cost allows each student to contribute equally to the average cost and is a more representative average of the student population. Whereas the average cost per FTE pupil is a function of the number of districts (the divisor) offering that program, the weighted average cost per FTE pupil is a function of the number of FTE pupils (the divisor) in the program.

Cost Index. The program cost index was calculated by dividing the weighted average special program cost per pupil by the weighted average basic program cost per pupil for the regular K-12 pupil program. For example, the weighted average cost per FTE pupil for all resource room programs ($5,141) was divided by the weighted average cost per FTE pupil for all regular K-12 programs ($970) to obtain a cost index of 5.3. This means that, on the average, the cost to educate a full time exceptional pupil in a resource room was about 5.3 times greater than the cost of educating a full time regular pupil in grades K-12 in the sample districts during 1976-77.

Regular Pupil Program Costs

The data presented in Table 4 reveal that the cost per regular pupil in grades K-12 ranged from $825 to $1,842 across all 40 school districts included in the sample. The weighted average cost per FTE pupil ranged from $929 in Group A districts (the largest districts) to $1,550 in Group D districts (the smallest districts). The weighted average cost per FTE pupil for all 40 school districts was $970 and this value was used as the divisor in calculating the cost indices reported for the exceptional programs in the tables that follow. Thus the $970 figure is equivalent to a value of 1.0 in comparison with other indices.

The data on regular pupil program costs shown in Table 4 seem to indicate that such factors as economies of scale, sparsity weightings in the state support formula, and/or wealth variances between large and small districts cause the cost per pupil to be significantly higher in the small districts than in the large districts. The economy of scale factor is the most likely explanation, in that larger districts tend to be more efficient with respect to pupil-teacher ratios and administrative organization.

Table 4

Regular Pupil Program Costs
Grades K-12
Idaho--1976-77

Sample Group And Number Of Districts in Group	Regular Pupil FTE Range By Group	Range in Cost Per FTE Pupil By Group	Median Cost Per FTE Pupil By Group	Average Cost Per FTE Pupil By Group	Weighted Average Cost Per FTE Pupil By Group
Group A 11 Districts	2,302 to 11,528	$ 825 to $1,088	$930	$964	$929
Group B 11 Districts	791.5 to 1,709.9	$ 883 to $1,203	$975	$1,012	$1,002
Group C 12 Districts	301.8 to 732.9	$ 986 to $1,262	$1,111	$1,123	$1,118
Group D 6 Districts	130.4 to 232.5	$1,367 to $1,842	$1,522	$1,580	$1,550
TOTAL 40 Districts	130.4 to 11,528	$ 825 to $1,842	$1,062	$1,118	$970*

*The weighted average cost for all regular pupils Grades K-12 was used as the cost index base and takes the value of 1.0 in relationship to the cost indices reported for other programs.

Exceptional Child Program
Costs by District Group

The purpose of Table 5 is to indicate whether or not there are any substantial differences between the various sized groups of school districts in the sample with regard to the cost of providing all exceptional child programs in a district. The cost per pupil in an exceptional program ranged from $1,956 in a Group B district to $11,702 in a Group C district. That is, it cost $1,956 to educate each FTE exceptional pupil in the Group B district compared to a cost of $11,702 to educate each FTE exceptional pupil in the Group C district.

The weighted average cost per FTE exceptional pupil ranged from $4,499 (cost index 4.6) in Group A districts to $5,470 (cost index 5.6) in Group C districts. There appears to be a substantial difference between Group A district exceptional program costs per pupil and the costs incurred by Group C and D districts, with Group B districts in an intermediate position. The differences among and between Group B, C, and D districts are not great. Again, as with the regular program costs, an economy of scale factor may be affecting the difference in exceptional program costs between Group A districts and the other districts. However, this is a tentative observation, not a conclusion based on in-depth study, and is expressed with caution.

The weighted average cost per FTE pupil in exceptional programs across all 40 school districts was $4,682 with a cost index of 4.8. That is, it cost about 4.8 times as much to educate a full time pupil in an exceptional program as it did to educate a regular full time pupil in grades K-12 in the sample districts in 1976-77.

Table 6 reveals exceptional children program costs and cost indices categorized according to major delivery system (i.e., resource room, self-contained) and exceptionality (i.e., communication disorders, gifted and talented) and grouped by size of school district in the sample. As noted previously, if the combination of delivery systems or exceptionality and number of districts in a group totaled more than five programs, data on that combination were included in Table 6. The one exception to this rule was the homebound program category where only three programs were found among the sample districts. The data on these homebound programs are shown for informational purposes only.

The purpose of the analysis summarized in Table 6 was to determine if the size of school districts, as categorized from Group A (large districts) to Group D (small districts), had any noticeable effect on major delivery system or exceptional program costs, where there were enough programs to make such a judgment. There do not appear to be any substantial differences among groups of districts that offer resource room programs, with the possible exception of Group C districts where a 4.8 cost index was found. An explanation for that difference was not evident in the data we analyzed.

The differences among groups for self-contained programs were negligible. Although there were some differences among groups that offered communication disorders programs, there does not appear to be a discernible pattern to the cost index differences, which ranged from 11.2 in Group B

Table 5

Exceptional Children Program Costs and Cost Indices
By School District Group, Grades K-12
Idaho, 1976-77

Sample Group and Number of Districts in Group	Exceptional Children FTE Range by Group	Range In Enrollment In Exceptional Programs	Range in Cost Per FTE Pupil By Group	Median Cost Per FTE Pupil By Group	Average Cost Per FTE Pupil By Group	Weighted Average Cost Per FTE Pupil By Group	Cost Index*
Group A 11 Districts	22.7 to 207	95 to 1,000	$3,661 to $5,372	$4,332	$4,365	$4,499	4.6
Group B 11 Districts	7.1 to 32.2	19 to 167	$1,956 to $8,047	$5,382	$5,272	$4,959	5.1
Group C 12 Districts	.4 to 17.8	11 to 112	$3,482 to $11,702	$5,747	$6,232	$5,470	5.6
Group D 6 Districts	1.5 to 5.7	11 to 57	$3,024 to $11,087	$4,515	$5,443	$5,125	5.3
TOTAL 40 Districts	.4 to 207	11 to 1,000	$1.956 to $11,702	$4,767	$5,337	$4,682	4.8

*The cost index was calculated by dividing the weighted average cost per FTE pupil in a program by the weighted average cost per pupil for regular programs ($970).

Table 6

Exceptional Children Program Costs and Cost Indices
By Major Program and Sample Group, Grades K-12
Idaho, 1976-77

Major Program And Sample Group	Number Of Districts With Programs	Enrollment In Exceptional Programs	FTE Exceptional Program Pupils	Range in Cost Per FTE Pupil	Average Cost Per FTE Pupil	Weighted Average Cost Per FTE Pupil	Cost* Index
Resource Room Total	37	3,442	630.6	$3,074 to $10,354	$5,167	$5,141	5.3
Resource Room Group A	10	2,167	393	3,310 to 6,297	5,125	5,261	5.4
Resource Room Group B	10	658	135.1	3,177 to 10,354	5,772	5,113	5.3
Resource Room Group C	11	478	83.2	3,233 to 6,962	4,632	4,675	4.8
Resource Room Group D	6	139	19.3	3,074 to 9,621	5,207	4,880	5.0
Self-Contained Total	24	485	395.9	1,901 to 5,591	2,940	2,688	2.8
Self-Contained Group A	15	410	338.8	2,061 to 3,715	2,744	2,670	2.8
Self-Contained Group B	8	69	51.1	1,901 to 5,591	3,308	2,772	2.9
Communications Disorders Total	29	1,601	46.3	5,502 to 28,055	14,644	12,650	13.0
Commo Disorders Group A	11	935	26.5	5,502 to 24,724	15,021	13,119	13.5
Commo Disorders Group B	10	498	14.7	6,199 to 24,632	12,340	10,902	11.2
Commo Disorders Group C	8	168	5.1	7,072 to 28,055	17,007	15,257	15.7
Gifted & Talented Total	9	578	56.5	3,135 to 12,553	6,123	4,052	4.2
Special Design Total	6	60	23.7	3,310 to 12,019	5,536	4,844	5.0
Homebound Total	3	37	2.7	3,520 to 23,773	12,753	16,106	16.6

*The cost index was calculated by dividing the weighted average cost per FTE pupil in a program by the weighted average cost per pupil for regular programs ($970).

districts to 15.7 in Group C districts. Economy of scale does not appear to be a major cost factor in any of the breakdowns of cost by delivery system or exceptionality, whereas it did appear to be a factor in the overall cost of exceptional programs shown in Table 5. It should be noted that there were not enough self-contained programs in Group C and D districts, nor enough communication disorder programs in Group D districts, to meet our criterion of five or more programs in order to be included in the presentation of data.

More detailed breakdowns of program costs and cost indices for each delivery system appear in later tables, but it is apparent that there are differences between and among delivery systems and exceptionalities. The average cost index over all districts for resource room programs was 5.3; for self-contained programs it was 2.8; for communication disorder programs it was 13.0; for gifted and talented programs it was 4.2; and for special design programs it was 5.0. Although program costs in a given program may be higher than those in another program for a variety of reasons, the primary cause for cost differences has been found in previous research to be related to the ratio of pupils to instructional staff members, i.e., the lower the pupil-staff ratio, the higher the per pupil cost of the program. We see no reason to believe the situation is any different in the 40 school districts we studied in Idaho.

Resource Room Costs

The resource room was the major type of delivery system used in Idaho school districts to provide program services to exceptional pupils. Table 7 shows that 37 of the 40 school districts in the sample provided some type of resource room program. The reader will note that the number of districts indicated under some of the sub-programs do not add to the total number of districts offering such programs under the major heading. For example, there were 44 elementary resource room programs and 29 secondary resource room programs found among the 40 school districts in the sample. The 37 districts noted under the total for all resource room programs indicate that 37 districts were offering one or more of the resource room configurations identified under the main program. Also, the figure of 44 noted for the elementary resource room program indicates that there were 44 different elementary resource room programs offered and that a single district could be offering more than one type, e.g., elementary resource room for children with mild and moderate handicaps and elementary resource room for children with moderate and severe handicaps.

One of the first things we noted about the program costs and cost indices in Table 7 was the difference between elementary (cost index 5.8) and secondary (cost index 4.4) program costs for the resource room type of delivery system. As mentioned previously, program cost differentials are primarily a function of pupil-teacher ratios. It appears that the pupil-teacher ratio is greater in the secondary resource room programs than in the elementary resource room programs. The reason for the higher pupil-teacher ratio in secondary programs is not readily apparent, but it may be related to the way in which the state weights secondary school pupils and exceptional program pupils for state support purposes. (Further discussion of the pupil weighting system appeared in Section IV of this report.)

Table 7

Resource Room Program Costs
and Cost Indices
Idaho--1976-77

Program and Category	Number Of Districts Or Programs	Enrollment In Exceptional Program	FTE Exceptional Children	Range in Cost Per FTE Pupil	Ave. Cost Per FTE Pupil	Weighted Ave. Cost Per FTE Pupil	Cost Index
Resource Room	37 Districts	3,442	630.6	$3,074 to $10,354	$5,167	$5,141	5.3
Resource Room Elementary	44 Programs	2,366	390.6	2,599 to 13,538	5,831	5,646	5.8
Resource Room-Elementary Mild-Moderate	12 Programs	972	159.9	4,011 to 7,795	5,738	5,862	6.0
Resource Room-Elementary Moderate-Severe	5 Programs	400	56.4	4,793 to 10,840	7,122	6,610	6.8
Resource Room-Elementary Mild-Moderate-Severe	27 Programs	994	174.3	2,599 to 13,538	5,633	5,136	5.3
Resource Room Secondary	29 Programs	1,040	239.1	2,440 to 13,420	4,638	4,223	4.4
Resource Room-Secondary Mild-Moderate	11 Programs	393	89.8	2,452 to 6,186	4,121	4,029	4.2
Resource Room-Secondary Moderate-Severe	3 Programs	103	29.1	3,032 to 4,970	4,058	4,128	4.3
Resource Room-Secondary Mild-Moderate-Severe	15 Districts	544	120.2	2,440 to 13,420	5,133	4,391	4.5

Note: The number of districts indicated for a major program category may not equal the sub-totals because a district may have more than one type of sub-program.

There do not appear to be major differences among secondary resource room programs classified according to severity of handicap. We found that smaller districts tended to have all levels of severity in a resource room program, whereas the larger districts tended to distinguish between mild-moderate and moderate-severe students in their resource room programs. No doubt this difference was largely a function of the size of the district and the number of pupils needing resource room services in a school district.

Some differences in cost were noted among elementary resource room programs classified according to severity of exceptionality. The moderate-severe classrooms (cost index = 6.8) tended to be more costly than the mild-moderate classrooms (cost index = 6.0). However, the mild-moderate-severe configuration tended to be the least expensive (cost index = 5.3). We think the explanation of these differences may relate to the number of pupils and number of programs in each category. Whenever a district has a larger number of pupils and, thus, a greater number of programs of a given category, it may be able to provide these services more efficiently and economically because it can realize economies of scale. Note that in the lowest cost elementary resource room program category, 994 students were being served in 27 different district programs and in the highest cost program category 400 students were being served in 5 different district programs.

Self-Contained Program Costs

The second largest type of program delivery system, as indicated by the number of such programs in the 40 school districts, was the self-contained classroom approach to providing exceptional program services. Self-contained classroom services are generally provided for the pupil with a moderate to severe handicap, typically with an exceptionality that requires more intensive help in the classroom such as the trainable mentally retarded, the emotionally disturbed, or the blind.

The cost indices for the self-contained programs were the lowest of any delivery system or exceptional program in the sample districts. As shown in Table 8, the cost indices ranged from 2.5 in secondary self-contained programs to 3.0 for ungraded self-contained programs classified as mild-moderate-severe. These differences among the self-contained program costs were not large enough to suggest any particular cause or factor that produced the differences observed. However, there is a plausible explanation as to why self-contained program costs tend to be lower than in other methods of delivering educational services to exceptional children. The percent of time that a student spends in the self-contained classroom in a normal school week ranges from 74 percent to 91 percent, according to the data gathered on the different categories of self-contained programs. We also found the FTE pupil-teacher ratio for self-contained classrooms was considerably higher than for other delivery systems and programs. These two factors combined to produce a lower per pupil cost for self-contained programs. The actual contact time a student in a self-contained program has with a given teacher is much greater than in delivery systems such as resource room programs or communication disorder programs. Even though a teacher in the latter programs may work with a greater number of pupils, the time the teacher spends with each pupil is significantly less; thus the FTE pupil count for such programs is considerably less.

Table 8

Self-Contained Program Costs
And Cost Indices
Idaho--1976-77

Program and Category	Number Of Districts Or Programs	Enrollment In Exceptional Program	FTE Exceptional Children	Range In Cost Per FTE Pupil	Average Cost Per FTE Pupil	Weighted Average Cost Per FTE Pupil	Cost Index
Self-Contained	24 Districts	485	395.9	$1,901 to $5,591	$2,940	$2,688	2.8
Self-Contained Elementary	11 Programs	237	167.3	1,901 to 5,591	3,048	2,821	2.9
Self-Contained Elementary Mild-Moderate-Severe	5 Programs	56	43	2,353 to 5,591	3,216	2,816	2.9
Self-Contained Secondary	5 Programs	119	102.7	2,031 to 3,715	2,621	2,448	2.5
Self-Contained Ungraded	8 Programs	139	125.9	1,962 to 4,598	2,990	2,706	2.8
Self-Contained Ungraded Mild-Moderate-Severe	5 Programs	65	55.3	1,962 to 4,598	3,090	2,905	3.0

Note: The number of districts indicated for a major program category may not equal the sub-totals because a district may have more than one type of sub-program.

Communication Disorders and Gifted and Talented Program Costs

Table 9 shows the costs during 1976-77 for the communication disorders and gifted and talented programs among the 40 school districts in the Idaho sample. The communication disorders program is by far the most expensive program we found. This program is characterized by the fact that a great number of pupils are served but usually for only a short period of time each week. Our findings indicated the pupils in this program were only spending an average of 50 to 60 minutes per week with a communication disorders teacher. Furthermore, the communication disorders teacher tended to be providing services on an itinerant basis, traveling to two or more school sites during the week to serve pupils with this exceptionality. Because teachers only worked with one or two pupils at a time, rather than with an entire classroom, the contact time with each student was the least of any exceptional program and the FTE pupil-teacher ratio was the lowest of any program. Any educational program characterized by services provided on a one-to-one basis is a program in which the cost on an FTE pupil basis will inevitably be high. Such was the case with the communication disorders program in Idaho school districts.

The gifted and talented program costs (cost index = 4.2) tended to fall between self-contained program costs and resource room program costs. There were insufficient data to draw conclusions about differences among groups of school districts or differences between elementary and secondary gifted and talented program costs.

Contact Time of Students In Exceptional Programs

Table 10 provides information regarding the average number of hours per week a pupil spends in an exceptional program. The first column indicates the exceptional program category. The second column indicates the number of pupils served in that program in the sample of 40 school districts we studied. The third column indicates the number of full time equivalent pupils served for a given program and was computed from the special education enrollment forms described earlier in this report.

The percent the full time equivalent pupil count is of the enrollment is a reasonable approximation of the amount of time each student served is spending in an exceptional program. If we assume each student spends about 30 hours per week in school, then that percentage multiplied by 30 should approximate the number of hours per week an exceptional student will spend with an exceptional program teacher. It may be noted in Table 10 that students in self-contained programs are spending, on the average, from 22.1 to 27.2 hours per week in this program. Resource room pupils spent an average of 4.2 to 8.5 hours per week and communication disorders pupils averaged from .8 to 1.0 hours per week in these programs, respectively.

If one relates the average hours per week in an exceptional program to the costs per FTE pupil for the same programs, it is apparent that a high negative correlation exists. That is, the more hours per week spent in the exceptional program, the lower the program cost per FTE pupil. It

Table 9

Communication Disorders and Gifted and Talented
Program Costs and Cost Indices
Idaho--1976-77

Program and Category	Number Of Districts Or Programs	Enrollment In Exceptional Program	FTE Exceptional Children	Range In Cost Per FTE Pupil	Average Cost Per FTE Pupil	Weighted Average Cost Per FTE Pupil	Cost Index
Communication Disorders	29 Districts	1,601	46.3	$5,502 to $28,055	$14,644	$12,650	13.0
Communication Disorders Elementary	23 Programs	1,119	29.8	6,199 to 28,055	15,509	13,667	14.1
Communication Disorders Elementary Mild-Moderate	5 Programs	155	4.03	10,995 to 25,657	16,944	15,728	16.2
Communication Disorders Elementary Mild-Moderate-Severe	17 Programs	766	21.1	6,199 to 28,055	15,136	13,026	13.4
Communication Disorders Elementary-Secondary Mild-Moderate-Severe	5 Programs	431	14.8	5,502 to 15,084	11,723	10,982	11.3
Gifted and Talented	9 Districts	578	56.5	3,135 to 12,553	5,123	4,052	4.2
Gifted and Talented Elementary	7 Programs	461	39.6	3,309 to 7,249	5,320	4,304	4.4

Note: The number of districts indicated for a major program category may not equal the sub-total because a district may have more than one type of sub-program.

Table 10

Conversion of FTE Percentage of Enrollment
to Average Hours Per Week Spent
in Exceptional Programs
Idaho--1976-77

Program	Enrollment	FTE	Percent FTE Is Of Enrollment	Average Hours Per Week In Exceptional Classroom (30 Hr. Wk.)
Self-Contained	485	395.9	81.5	24.5 Hours
S.C.-Elementary	227	167.3	73.7	22.1 Hours
S.C.-Elem. MMS	56	43	76.8	23.0 Hours
S.C.-Secondary	119	102.7	86.3	25.9 Hours
S.C.-Ungraded	139	125.9	90.6	27.2 Hours
S.C.-Ungraded MMS	65	55.3	85.1	25.5 Hours
Resource Room	3,442	630.6	18.3	5.5 Hours
R.R.-Elementary	2,366	390.6	16.5	5.0 Hours
R.R.-Elem. MM	972	159.9	16.5	5.0 Hours
R.R.-Elem. MS	400	56.4	14.1	4.2 Hours
R.R.-Elem. MMS	994	174.3	17.5	5.3 Hours
R.R.-Secondary	1,040	239.1	23.0	6.9 Hours
R.R.-Second. MM	393	89.8	22.8	6.9 Hours
R.R.-Second. MS	103	29.1	28.3	8.5 Hours
R.R.-Second. MMS	544	120.2	22.1	6.6 Hours
Communication Disorders	1,601	46.3	2.9	.9 Hours
C.D.-Elementary	1,119	29.8	2.7	.8 Hours
C.D.-Elem. MM	155	4.03	2.6	.8 Hours
C.D.-Elem. MMS	766	21.1	2.8	.8 Hours
C.D.-Elem./Second. MMS	431	14.8	3.4	1.0 Hours
Gifted and Talented	578	56.5	9.8	2.9 Hours
G and T-Elementary	461	39.6	8.6	2.6 Hours
Special Design	60	23.7	39.5	11.9 Hours
Homebound	37	2.7	7.3	2.2 Hours

also was apparent from our examination of the data that there is a high positive correlation between the number of hours spent in an exceptional program and the FTE pupil-teacher ratio. These relationships do not entirely concur with what has been found in studies of exceptional children programs in other states.

Receipts and Expenditures for Special Education Programs

School districts in Idaho are required, as in most states, to file an annual report of expenditures and receipts with the State Department of Education at the end of each fiscal year. The fiscal year in Idaho coincides with the school term and actual expenditures and receipts for the period July 1 through June 30 are reported to the State Department shortly after completion of the fiscal year. One objective of this study was to examine the reported expenditures and receipts for special education filed by the sample school districts and determine the sources and distribution of revenue available for special education programs.

Each school district in the state must determine its expenditures and receipts for special education and report them as a part of SDE 650-25, General Fund-Exceptional Child Funds. These funds are included in the general fund but are reported in a supplement to the general fund report. The data reported in this section were taken from the reports filed by the sample school districts.

We were informed by State Department officials that 1976-77 was the first year in which school districts were required to isolate their receipts and expenditures for special education and report them separately. As is usually the case when forms or reports are required for the first time, there was some confusion on the part of school district personnel concerning what was required and what procedures were to be used to complete these reports. Therefore, we caution the reader that the data reported in this section are based on school district reports which may be somewhat less than totally accurate. However, we hope that this analysis of special education receipts and expenditures will be useful in providing a general picture of the sources and adequacy of revenue for special education.

Table 11 shows that portion of the general fund receipts and expenditures which were for special education in the 40 school districts included in the sample. It should be noted that federal funds distributed to the state and school districts under Title VI-B are not included in this table. They are reported and analyzed in Section VIII of this report. In addition, tuition and contract receipts from the state for exceptional programs are not included in Table 11. Tuition or contract receipts reported by all of the sample districts only totaled $16,119 and therefore were not treated separately.

The data reported in Table 11 are divided according to groups of districts with Group A containing the largest districts and Group D the smallest. We found some interesting anomalies in the data as reported by the school districts. A total of seven districts--two in group A,

Table 11

General Fund Expenditures And Receipts
For Special Education Programs
Idaho--1976-77

District Group	Range in Gen. Fund Expend. for Sp. Ed.	Average Gen. Fund Expend. for Sp. Ed.	Range in Local Receipts for Sp. Ed.	Average Local Receipts for Sp. Ed.	Range in County Receipts for Sp. Ed.	Average County Receipts for Sp. Ed.	Range in State Receipts for Sp. Ed.	Average State Receipts for Sp. Ed.
Group A 11 Districts	$ 75,060 to $866,973	$330,038	$ 0.00 to $276,822	$48,141	$ 1,871 to $37,695	$13,557	$ 61,263 to $784,787	$268,923
Group B 11 Districts	$ 29,862 to $187,520	$ 99,752	$ 0.00 to $ 89,214	$23,523	$ 1,517 to $ 7,390	$ 3,482	$ 24,411 to $ 99,299	$ 72,900
Group C 12 Districts	$ 11,111 to $ 87,474	$ 43,228	$ 413 to $ 37,948	$11,921	$ 0.00 to $ 2,980	$ 898	$ 5,130 to $ 52,305	$ 30,409
Group D 6 Districts	$ 4,088 to $ 19,137	$ 14,333	$ 0.00 to $ 6,047	$ 2,228	$ 0.00 to $ 1,539	$ 693	$ 6,166 to $ 17,085	$ 12,554
TOTAL 40 Districts	$ 4,088 to $866,973	$133,311	$ 0.00 to $276,822	$23,618	$ 0.00 to $37,695	$ 5,059	$ 5,130 to $784,787	$105,007

Note: Receipts may not equal total expenditures because of (1) rounding, (2) receipts exceeded expenditures in some districts, and (3) tuition or contract receipts are not included in the table's receipt figures.

two in Group B, and three in Group D--reported they had spent no local tax funds for special education during 1976-77 and, in fact, their county and state receipts for special education exceeded their total expenditures for special education. One other district in Group A reported spending no local funds but indicated a balanced special education budget between total expenditures and county and state receipts. Again, we caution the reader that because 1976-77 was the first year this report was required of local districts, the reports may not have been totally accurate.

General fund expenditures for special education ranged from $4,088 in a Group D district to $866,973 in a Group A district. The average expenditure for all districts was $133,311. Local receipts (property taxes) for special education ranged from none to $276,822 in a Group A district. County receipts ranged from none to $37,695 in a Group A district and averaged $5,059 for all 40 districts. State receipts, other than tuition and contract receipts, ranged from $5,130 in a Group C district to $784,787 for a Group A district and averaged $105,007 for all 40 districts. It should be noted that any attempt to balance receipts and expenditures would be futile since there may be variances due to (1) rounding, (2) the fact that receipts exceeded expenditures in seven districts, and (3) tuition or contract receipts are not included in the table.

Table 12 is more interesting in that it isolates the various sources of receipts as a percentage of district expenditures for special education. The percentages are shown for each group of districts in an attempt to determine if any particular pattern was evident when districts were classified according to size.

The percentage local receipts was of total expenditures ranged from 14.6 percent in Group A districts to 27.6 percent in Group C districts and averaged 17.7 percent for all districts. The percentage county receipts were of total expenditures for special education ranged from 2.1 percent in Group C districts to 4.8 percent in Group D districts and averaged 3.8 percent for all districts. The percentage state receipts were of total expenditures ranged from 70.3 percent in Group C districts to 87.6 percent in Group D districts and averaged 78.8 percent for all 40 districts.

All receipts including state, county and tuition (but excluding local and federal) were totaled to determine the extent to which special education expenditures were financed from other than local revenue. The range in total state, county and tuition receipts extended from $6,828 in a Group D district to $821,435 in a Group A district and averaged $110,469 for all 40 districts. These expenditures converted into a range of percentages extending from 72.4 percent in Group C districts to 92.4 percent in Group D districts and averaged 82.9 percent for all 40 districts in the sample.

Any pattern to these sources of support and the percentage they comprised of special education expenditures is elusive. It is apparent that the Group C districts (300-749 students) are receiving considerably less (72.4 percent) outside support for their special education programs

Table 12

Sources of Receipts as a Percentage of General Fund Expenditures For Special Education
Idaho--1976-77

District Group	Percentage Local Receipts is of Total Expenditures for Sp. Ed.	Percentage County Receipts is of Total Expenditures for Sp. Ed.	Percentage State Receipts is of Total Expenditures for Sp. Ed.	Range in Total State, County & Tuition Receipts for Sp. Ed.	Average Total State, County & Tuition Receipts for Sp. Ed.	Percentage State, County & Tuition Receipts is of Total Expenditures
Group A 11 Districts	14.6	4.1	81.5	$ 63,134 to $821,435	$283,139	85.8
Group B 11 Districts	23.6	3.5	73.1	$ 25,928 to $103,855	$ 77,188	77.4
Group C 12 Districts	27.6	2.1	70.3	$ 8,791 to $ 53,497	$ 31,307	72.4
Group D 6 Districts	15.5	4.8	87.6	$ 6,828 to $ 18,281	$ 13,247	92.4
TOTAL 40 Districts	17.7	3.8	78.8	$ 6,828 to $821,435	$110,469	82.9

Note: Total of local, county, state and tuition receipts as a percentage of total expenditures may exceed 100 percent because reported receipts exceeded total expenditures for special education in a few school districts.

than other groups of districts. The cause of this phenomenon cannot be attributed to any wealth (property value/pupil) variance because Group C districts were second least wealthy, on the average, of the four groups in the sample. The fact that Group D districts receive 92.4 percent of their support from other than local sources of revenue likely is due to the sparsity factors built into the state support system. Why Group A districts received proportionally more outside support (85.8 percent) than did Group B (77.4 percent) or Group C (72.4 percent) districts is not readily apparent from the data and may be due to the anomalies we alluded to earlier.

It is apparent, however, that the state provides a high level of support for exceptional child programs in local school districts. Assuming the level of support provided in 1976-77 has not declined, and assuming federal support through Public Law 94-142, Title VI-B has grown and will continue to grow, then it is evident that Idaho is approaching full state funding of programs for exceptional children if federal, state and county receipts are considered.

Part VII. Contract Agency Programs

As discussed in Part IV of this report, the Idaho Code assigns responsibility for education of exceptional children to local school districts which may either provide education and training directly, or contract for educational services with another school district or with an agency, hospital, or corporation. In addition to public school districts, contracting agencies include regional child development centers, community mental health centers, the Easter Seal Society, the North Idaho Children's Home, and other public and private organizations in Idaho and in other states. In January, 1978 a total of 185 students were being served through special education contracts between the school district in which they resided and other school districts or agencies.

To obtain information with regard to program costs in some of the contracted programs, five agencies which were providing services to relatively large numbers of students were selected for study. A visit was made to each agency by one of the researchers to learn about the agency's program and to obtain data concerning expenditures for that program. The five agencies were North Idaho Children's Home, Lewiston; Shoshone County Association for Retarded Children, Silverton; New Day Products, Pocatello; Adult/Child Development Center, Pocatello; and Adult/Child Development Center, Idaho Falls. Data were obtained from four of the five agencies. Only the Adult/Child Development Center in Pocatello failed to provide the data we needed to compute program costs. Each agency's program and the costs associated with that program are discussed briefly in this section.

North Idaho Children's Home

The North Idaho Children's Home (NICH) is a non-profit, non-sectarian, corporation. It was founded in 1908 as the northern district of the Idaho Children's Home Finding Aid Society and chartered as a separate corporation in 1935 as the Children's Home Finding and Aid Society of North Idaho. The North Idaho Children's Home currently offers several programs including (1) a residential treatment program for emotionally disturbed boys and girls, (2) group home services, (3) specialized educational services, including summer school, (4) medical services, (5) psychiatric and psychological services, (6) social work services to children, families, and agencies, (7) foster care, (8) recreational programming, (9) adoption services and (10) a family resource center.

The educational services provided by NICH were the subject of the present study. The program provides educational services for emotionally disturbed boys and girls, focusing upon the association between the behavioral and educational problems of these students. The educational program began operation in 1976 and received its first public support in 1977. Currently the education program includes four classrooms, each staffed with a teacher and an aide, with a maximum of eight students in each classroom. This arrangement permits truly individualized instruction along with a comprehensive behavioral management and motivational system. Of the 38 students who left the education center in 1977, 30 returned to a public school to continue their education.

The program provided by the Children's Home includes both residential and educational services. The average time spent by a student in the residential program is 11 months, while the average time spent in the educational program is seven to eight months. Typically, a student is first placed in the education center on a full-time basis and, when progress warrants, he/she is placed in a public school for one-half of the school day. The objective of the program is to enable students to overcome their problems and return to a regular public school setting as rapidly as possible. The educational center program uses a self-contained, objective-based individualized program with both educational and behavioral objectives. A staff member of the Children's Home provides liaison between the Home and the Lewiston School District for students who are in half-time attendance there, and also works in a liaison capacity with a student's home school district after the student leaves the Children's Home.

During the twelve-month period July 1, 1977-June 30, 1978, a total of 56 boys and girls were involved in the education center program. The average enrollment in the program during the 12-month period was 21.67 students; the average number of full-time equivalent students in the program was 18.67 with an average of three full time equivalent students in half-time placement. The highest student enrollment was in September, with 25 students in the program; the lowest enrollment was in June, with 18 students enrolled.

Analysis of the cost of the educational portion of the program is complicated by two factors. First, one must distinguish between the cost

of the residential program and the cost of the educational center program while recognizing that these two aspects of the program are integrally related and complementary. Second, during 1977-78 NICH received a grant through Project R.E.A.D.Y. from the Idaho Law Enforcement Planning Commission. This grant enabled the education center to begin developing curriculum guides and materials and, in addition, made possible liaison and follow-up services for students who leave the education center and return to their local school. Table 13 indicates expenditures by major categories for the education center program, distinguishing between expenditures supported by the Project R.E.A.D.Y. grant and the normal education center program expenditures. In calculating the cost of the program per full time equivalent student, it seemed reasonable to exclude expenditures for capital outlay and staff development funded by the Project R.E.A.D.Y. grant on the basis that they represent one-time expenditures rather than regularly recurring costs. Subtracting expenditures for these two categories leaves a total program expenditure of $117,862. The North Idaho Children's Home served 20.17 full time equivalent students during the 12-month period. Thus the expenditure per FTE student for this program was $5,843. Although it should be emphasized that this is an estimated program cost based on somewhat arbitrary decisions concerning the expenditures which should be included and those which should be excluded, we believe that it is a reasonable approximation of the cost of the program.

Shoshone County Association
for Retarded Children

The Shoshone County Association for Retarded Children is a non-profit, non-political association which was formed for the purpose of providing for the education and physical needs of handicapped children in Shoshone County. The Association operates an educational program for mentally retarded children, some of whom have multiple handicaps. The children served in this program generally would be classified as trainable mentally retarded or multiply handicapped pupils. The program is housed in the Veterans Memorial Hall in Silverton and serves children from three school districts (Kellogg No. 391, Mullan No. 392, and Wallace No. 393). During the 1977-78 school year the 14 children enrolled in the program were served by two certified teachers. In addition to funds received from contracts with the three participating school districts, the Association also receives funding from the United Crusade. The Association operates a sheltered workshop program for students over school age in addition to the contract program.

Table 14 provides information concerning expenditures for the educational program of the Association for the 12-month period September 1, 1977-August 31, 1978. Total program-related expenditures during this period were $43,278. Fourteen full time equivalent students were engaged in the program. The expenditure per FTE student was $3,091. It should be noted, however, that the Association pays no rental for the space it uses in the Veterans Memorial Hall. It also benefits from services donated by members who are committed to the goals and objectives of the program.

Table 13

Expenditures for the Education Center Program by the North Idaho Children's Home, July 1, 1977-June 30, 1978*

Category of Expenditure	Educational Program	Project R.E.A.D.Y. Grant	
Administration	$ 6,718	$ 1,972	
Instruction			
Salaries & Fringe Benefits	73,049	18,457	
Other	3,969	2,566	
Transportation	670	--	
Operation of Plant	508	2,968	
Maintenance of Plant	126	--	
Staff Development	551	4,506	
Capital Outlay	1,020	17,667	
Depreciation	3,000	--	
Other	2,218	70	
Subtotal	91,829	48,206	
Less Capital Outlay and Debt Service	--	22,173	
	91,829	26,033	
Total Program-Related Expenditure			$117,862
Full Time Equivalent Students			20.7
Expenditure Per F.T.E. Student			$5,843

*Based on unaudited data provided by North Idaho Children's Home.

Table 14

Expenditures for the Education Program of the Shoshone County Association for Retarded Children, September 1, 1977-August 31, 1978*

Category of Expenditure	$
Administration	119
Instruction	
Salaries	27,560
Other	3,215
Transportation	5,148
Operation of Plant	1,061
Maintenance of Plant	39
Fixed Charges	
Employee Fringe Benefits	2,221
Insurance	814
Food Service	121
Depreciation	2,857
Other	123
Total Program-Related Expenditures	43,278
Full Time Equivalent Students	14.0
Expenditure Per F.T.E. Student	3,091

*Based on unaudited data provided by Shoshone County Association for Retarded Children.

Persons in the sheltered workshop program operated by the Association are transported on the same bus as is used to transport students in the education program. While the marginal cost of transporting sheltered workshop program participants is probably quite low, the entire transportation operation is charged to the education program. We believe the expenditure of $3,091 per full time equivalent student represents a reasonable approximation of the cost of the program, but caution that if rental fees were included the program cost would be somewhat higher.

New Day Products, Inc.

New Day Products began in 1971 as a part of the state's Child Development Center system. Its purpose was to assist handicapped and disadvantaged individuals to achieve the highest possible level of economic and social independence within the community. It was funded from CDC funds and contributions from the Bannock County Association for Retarded Citizens. New Day Products was operated as a state facility until September of 1973, at which time it was incorporated as a private non-profit corporation.

New Day Products contracts with three school districts to provide exceptional students between the ages of 15 and 21 with related education and work experiences in preparation for economic and social independence. The contracts with local school districts must necessarily be restricted to age 15 and over because of child labor laws. The primary disabilities served by New Day Products (not just school district contracts) are distributed among the following areas of exceptionality.

Exceptionality	No. Served	Percent
Trainable Mentally Retarded	37	27.1
Educable Mentally Retarded	30	21.7
Physically Handicapped	27	19.4
Emotionally Handicapped	25	18.6
Cerebral Palsy	8	6.2
Other	9	7.0
Total	136	100.0

A total of 136 individuals received rehabilitation and training services during fiscal year 1978.

Through contracts with the Pocatello, American Falls and Rockland School Districts, educational services are provided to pupils contracted for special education. Educational skills, vocational skills and daily living skills were taught to a total of 21 students during fiscal year 1978. An individualized treatment plan is written for each individual and

specific short- and long-term goals for independence are established.

The expenditures reported by the New Day Products program for serving 21 pupils (16 full time equivalent pupils) are reported in Table 15. It is important to note that these are self-reported expenditures according to a format we provided. A part of the cost of any private, non-profit enterprise is expenditures for debt service and depreciation of buildings and equipment, particularly for sheltered workshop programs such as this one. The pro-rata share of debt service costs for school district contract students is included in Table 15, but the share for depreciation is not included.

New Day Products reported total expenditures of $78,693 for fiscal year 1977-78 to serve 16 full time equivalent students or a total of $4,918 per FTE pupil. Discussions with New Day Products officials revealed that they believed the state funding formula for contract programs was adequate, but that if there were not enough referrals from local school districts, then the state formula revenue would not be adequate. Their point was that training and teacher costs are necessary whether there is one student or ten students. If there are inadequate referrals (total contract students), then the basic cost of hiring teachers and supervisory personnel would not be covered by contract revenue. Their recommendation was to guarantee a minimum funding level for low referrals, similar to the procedure being followed for vocational rehabilitation programs in the state.

Idaho Falls Adult/Child
Development Center

The Adult/Child Development Center in Idaho Falls is a public, non-profit center operated under the auspices of the state's Department of Health and Welfare. This center provides a variety of services to both adults and children in the area served by Idaho Falls. The adult program is centered around a sheltered workshop which provides older students and adults with the opportunity to acquire skills in an industrial wood products operation in which a variety of products are made by handicapped children and adults.

The Center contracts with Idaho Falls, Shelley, and other school districts to provide services to student referrals who are primarily the severely handicapped, e.g., the trainable mentally retarded. Less severe or mild/moderate handicapped cases tend to be retained and educated by the school districts.

The Center reported that it served a total of 22 children during the 1977-78 school year. They reported total contact hours of 13,567 for these 22 children, which, assuming a 180 day year and 6 hours per day program, converts to 12.6 full time equivalent students.

The expenditure data reported in Table 16 are self-reported costs for serving 22 children. The reported costs were $86,561 which converts

Table 15

Expenditures for the Education Center Program by New Day Products, Inc., July 1, 1977-June 30, 1978*

Category of Expenditure	Expenditure
Administration	$25,414
Instruction	
Salaries	22,838
Other	4,003
Transportation-Pupil	6,970
Operation of Plant	6,225
Maintenance of Plant	6,154
Fixed Charges--Employee Fringe Benefits	4,519
Debt Service--Special Education Share	2,570
Total Program-Related Expenditures	$78,693
Full Time Equivalent Students	16.0
Expenditure Per FTE Student	$4,918

*Based on unaudited data provided by New Day Products, Inc., Pocatello, Idaho.

Table 16

Expenditures for the Education Center Program by the Idaho Falls Adult/Child Development Center, July 1, 1977-June 30, 1978*

Category of Expenditure	Expenditure
Administration	$ 9,134
Instruction	
Salaries	51,890
Other	6,006
Transportation--Pupil	-0-
Operation of Plant	3,013
Maintenance of Plant	3,445
Fixed Charges--Employee Fringe Benefits	12,218
Capital Outlay--Special Education Share	855
Total Program-Related Expenditures	$86,561
Full Time Equivalent Students--Based on 13,567 total contact hours assuming a 180 day year and 6 hours/day program	12.6
Expenditure Per FTE Student	$ 6,870

*Based on unaudited data provided by the Idaho Falls Adult/Child Development Center.

to $6,870 per FTE student. Discussions with officials at the Idaho Falls Adult/Child Development Center indicated that they believe state and/or local reimbursement for student referrals must be greater than the present state formula allows. They suggested that without adult volunteers the present program could not survive financially. The unpredictability from year to year of the referrals and clients served, they suggested, makes program and fiscal planning very difficult and creates budgeting problems which are omnipresent.

Part VIII. Federal Funds for the Education of Handicapped Children

Although some federal funds had been available for many years to support specific activities relating to the needs of handicapped children, e.g., preparing teachers, developing special curriculum materials, conducting research and the like, it was not until the enactment of Public Law 94-142 (which was signed into law by President Ford on November 29, 1975) that significant amounts of federal funds were made available for direct support of educational programs for handicapped children. P.L. 94-142 requires school districts throughout the United States to provide handicapped individuals between the ages of 3 and 21 with a free appropriate public education in the least restrictive environment possible. It also commits the federal government to provide funding to assist state and local educational agencies in attaining the goals established by the law. P.L. 94-142 is a comprehensive piece of legislation which establishes far-reaching policies and procedures with regard to the identification, assessment and educational programming for handicapped children. It is the fiscal provisions of P.L. 94-142 that are of primary interest in this study.

P.L. 94-142 establishes a state's basic entitlement to federal funds according to a statutory formula. A state's allocation is determined by multiplying the number of handicapped children aged 3 to 21 inclusive in the state who are receiving special education services by the amounts set in the following schedule:

Fiscal Year 1978:	5 percent of the national average per pupil expenditure
Fiscal Year 1979:	10 percent of the national average per pupil expenditure
Fiscal Year 1980:	20 percent of the national average per pupil expenditure
Fiscal Year 1981:	30 percent of the national average per pupil expenditure
Fiscal Year 1982 and thereafter:	40 percent of the national average per pupil expenditure

It should be emphasized that these are authorization levels, not appropriation levels. Only the most optimistic individuals anticipate that the amounts actually appropriated will come close to the amounts authorized.

The "national average per pupil expenditure" is defined as the aggregate current expenditure of all local school districts during the second fiscal year preceding the fiscal year for which the computation is being made, plus any additional direct state educational expenditures for the operation of local school districts, divided by the aggregate number of children in average daily attendance. The expenditure figure for Fiscal 1978 was set at $70 (5 percent of the national average per pupil expenditure of $1,400). Funds generated by the formula are allocated to state and local educational agencies within each state, with 75 percent of the total funds available to the state being "flowed through" to local school districts in FY 1979 and thereafter. From the funds appropriated under P.L. 94-142, the Idaho Department of Education will receive each year for the purpose of administration of the law either $200,000 or 5 percent of the total amount of program funds received, whichever is greater.

The law provides that a state may require a local educational agency to submit a "consolidated application" if: (1) in Fiscal 1979 the local educational agency's entitlement is less than $7,500, or (2) the agency is unable to establish and maintain programs of sufficient size and scope (as defined by the state) to meet the needs of handicapped children. Idaho has chosen not to impose a requirement that a local district must be entitled to at least $7,500 in order to receive "flow through" funds. Rather, districts are dealt with on the basis of whether or not they can provide adequate and cost-effective services to handicapped children without consolidating services with similarly situated neighboring districts.

P.L. 94-142 establishes two priorities for service to handicapped children. First priority must be given to children who are not currently served at all and second priority must be given to improving services for those who are now being served, but not adequately. The funds provided under P.L. 94-142 may not be used to supplant state and local funds currently devoted to the support of programs for handicapped children unless a state can satisfy the U.S. Commissioner of Education that adequate educational services are being provided to all handicapped children in the state. If a state can convince the Commissioner that all handicapped childr in the state are being served adequately, then funds received under the provisions of P.L. 94-142 may be used to supplant state and local funds. Exactly how a state would go about the task of convincing the Commissioner of Education that all of its handicapped children are being served adequatel is as yet unclear.

The law requires that local school districts maintain records which show that funds provided under the Act are used solely for the excess cost of special education and related services for handicapped children. This excess cost funding mechanism requires that school districts compute the cost of educating a handicapped child and then subtract from this amount the average cost of educating a non-handicapped child in the district's regular program. The difference (excess) may then be fully or partially

reimbursed. The expenditures used in computing the excess are essentially those amounts unique to the handicapped child, i.e., the marginal costs incurred as a result of the child being handicapped. They do not include those costs which would have been incurred simply because the child--handicapped or not--enrolled in school.

The excess cost provision is intended to ensure that state and local educational agencies commit themselves to provide the same base of support for the education of handicapped children that they provide for all other children. Administrative rules for P.L. 94-142 specifically forbid the use of funds provided under the Act to pay for all of the special education and related services given to a handicapped child. Only the excess cost may be aided. Thus local school districts or intermediate educational agencies will have to maintain fiscal and program records which will enable them to determine the cost of regular education and the cost of special education and related services.

Public Law 94-142 Funds, 1976-77

The 1976-77 school year was the first in which funds became available to Idaho school districts under P.L. 94-142. "Flow through" funds were not provided during that year. All awards were made on the basis of applications submitted by school districts for specific projects or activities. Table 17 provides information on expenditures made by the sample school districts, all other Idaho school districts, and total expenditures by various categories. We reviewed all approved applications for support under Title VI-B, P.L. 94-142 and found that the services could be placed into one of six categories: aides, purchased services and consultants, transportation, special materials and equipment, teachers, and supervision and training.

About 34 percent of the state's total Title VI-B expenditures were made by the school districts included in the sample. Expenditures by the sample districts totaled $87,017. Schools in Group A accounted for 43 percent of the total, schools in Group B accounted for 30 percent, those in Group C accounted for 23 percent, and those in Group D for 4 percent of the total for the sample. A majority of the expenditures by Group A schools were for aides and analysis of the applications revealed that these were primarily aides who work in a one-to-one relationship to a severely handicapped pupil. Schools in Group B spent funds primarily to purchase services and consultant help and to employ additional teachers. Districts in Group C spent funds primarily for aides and additional teachers and those in Group D used the funds to hire additional aides. For the state as a whole, additional aides accounted for 37 percent of expenditures, expenditures for special materials and equipment accounted for 24 percent of the total, and expenditures for teachers accounted for about 16 percent. Expenditures for supervision and training of personnel and expenditures for transportation were the lowest expenditure categories. In the transportation category, 64 percent of the expenditures for transportation were for special transportation equipment needed to transport handicapped children and the remainder was for transportation of children.

Table 17

Expenditure of TITLE VI-B, P.L. 94-142 Funds
By Idaho School Districts, 1976-77

Purpose of Expenditure	Group A		Group B		Group C		Group D		All Other Districts		TOTAL	
	$	%	$	%	$	%	$	%	$	%	$	%
Aides	26,329	70.6	0	-	10,614	53.8	3,600	94.5	53,436	31.7	93,979	36.8
Purchased Services and Consultants	1,456	3.9	12,649	48.3	300	1.5	13	0.3	8,890	5.3	23,308	9.1
Transportation	628	1.7	1,300	5.0	0	-	0	-	17,592*	10.4	19,520	7.6
Special Materials and Equipment	4,742	12.7	3,515	13.4	1,615	8.2	200	5.2	51,632	30.7	61,704	24.2
Teachers	1,153	3.1	8,716	33.3	7,215	36.5	0	-	24,510	14.6	41,594	16.3
Supervision and Training	2,972	8.0	0	-	0	-	0	-	12,335	7.3	15,307	6.0
TOTAL	37,280	100.0	26,180	100.0	19,744	100.0	3,813	100.0	168,395	100.0	255,412	100.0

*Includes 12,532 for special transportation equipment.

One may view the projects and activities supported with Title VI-B funds in 1976-77 as representing one measure of the unmet needs of handicapped children in Idaho school districts. It seems reasonable to assume that as additional funding became available, school districts would seek support for the highest priority needs of handicapped children which could not be funded from existing sources of revenue. An analysis of the activities for which funds were awarded suggests that in Group A districts (over 2,000 full term A.D.A.), the emphasis was on providing additional teacher aides, particularly aides to work on a one-to-one basis with severely handicapped children. In Group B (750-1,999 full term A.D.A.) the emphasis was placed on contracting for services not otherwise available, particularly with regard to assessment and evaluation of handicapped children to determine the most appropriate programming for them. Districts in Group C (300-749 full term A.D.A.) placed emphasis on securing additional aides and teachers, while those in Group D spent most of the funds to secure additional aides. For the state as a whole, emphasis was placed on securing additional human resources--aides, consultants, teachers--rather than on acquisition of equipment and hardware.

P.L. 94-142 Funds, 1977-78

Table 18 provides information concerning expenditures during the 1977-78 school year by the sample districts from funds available under P.L. 94-142. These data were obtained from unaudited school district reports and thus may not be completely accurate. They do, however, provide an indication of the priorities assigned to various services. Expenditures related to instruction accounted for the great majority of expenditures in each of the four school district groups, ranging from 100 percent in Group D to 62.8 percent for Group B. Expenditures for capital outlay ranked second in priority for the total sample, accounting for 8.4 percent of all expenditures. Expenditures for capital outlay ranged from 11.4 percent by Group A schools to none for Group D schools. Expenditures for attendance services were important in Group B districts but not in any of the other three groups. Expenditures for pupil transportation were low, constituting 3 percent of expenditures for the total sample and ranging from 4.1 percent of the total for Group B districts to none for Group D districts. As in 1976-77, the emphasis was placed on improving the quality of human resources available for education of handicapped children rather than on hardware. It should be noted that the expenditures reported by sample districts will not necessarily equal the amount of funds allocated to these districts during 1977-78. P.L. 94-142 funds are accounted for separately and an unexpended balance in the fund may be carried over to the following school year.

Estimated P.L. 94-142 Funds, FY 1979

Table 19 indicates the estimated amount of Title VI-B funds available for flow through to Idaho school districts in FY 1979. Estimates are provided for the four groups of districts included in the sample as well as

Table 18

Expenditure of TITLE VI-B, P.L. 94-142 Funds
By Sample Districts, 1977-78*

	Group								Total Sample	
	A		B		C		D			
	$	%	$	%	$	%	$	%	$	%
Administration	2,971	2.4	-0-	-	819	1.6	-0-	-	3,790	1.4
Instruction	102,509	81.8	52,191	62.8	47,038	93.7	8,042	100.0	209,780	78.6
Attendance	359	0.3	17,384	21.0	-0-	-	-0-	-	17,743	6.7
Health Services	157	0.1	551	0.7	-0-	-	-0-	-	708	0.3
Transportation (Pupil)	4,283	3.4	3,408	4.1	240	0.5	-0-	-	7,931	3.0
Operations (Plant)	250	0.2	2,315	2.8	-0-	-	-0-	-	2,565	1.0
Maintenance (Plant)	-0-	-	717	0.9	-0-	-	-0-	-	717	0.3
Fixed Charges	475	0.4	225	0.3	-0-	-	-0-	-	700	0.3
Food Service	-0-	-	-0-	-	-0-	-	-0-	-	-0-	-
Capital Outlay	14,341	11.4	6,134	7.4	2,088	4.2	-0-	-	22,563	8.4
Total	125,345	100.0	82,925	100.0	50,185	100.0	8,042	100.0	266,497	100.0

*Unaudited data from school district reports (Form S.D.E. 650-26)

Table 19

Estimated Amount of P.L. 94-142, Title VI-B Funds Which Will Flow Through to Idaho School Districts in FY 1979*

Group	No. Districts	$	Children Served
A	11	527,375	3,525
B	12	150,657	1,007
C	13	98,743	660
D	8	17,355	115
All Other Districts	59	1,045,154	6,987
TOTAL	103	1,839,284	12,294

*Based on estimated state award of $2,452,378 with 75% flow-through to local districts.

Source: Estimates provided by the Idaho Department of Education.

for the total state. The estimates are based on an estimated state award of $2,452,378, of which 75 percent will flow through to local districts. A total of 103 local districts are anticipated to receive flow through funds totaling $1,839,284. It is estimated that 12,294 children will be served by those 103 districts. The amount of funds available is directly related to the number of children served by each district.

In addition to the funds which will flow through to Idaho school districts, grants to defray "excess costs" may also be made for specific services or activities. Such awards come from the portion of the total state award which does not flow through to local districts. Excess cost awards are intended to cover additional costs of adequately serving handicapped children that are not covered by flow through funds or by state and local funds. Since the excess cost awards for FY 1979 cannot be determined in advance, data on excess cost awards to Idaho school districts in FY 1978 are provided in Table 20. A total of $288,583 in excess cost awards was distributed in FY 1978 to 70 Idaho school districts. As indicated in Table 20, 30 of the 70 districts were included in our sample and together received a total of approximately $160,600 (56 percent) of the total excess cost awards.

The extent to which funds available under P.L. 94-142 will increase in the future cannot be determined. Although some increase in funding may be anticipated, it is not likely that the appropriations will increase to the levels authorized. On the other hand, reductions in funding from current levels are also unlikely. Consequently, it seems reasonable to assume that Idaho school districts can continue to anticipate that at least the present level of federal funding will be available for support of programs for the education of handicapped children, and that modest increases in funding may be forthcoming in future years.

Discussions with local school district personnel revealed a problem common to nearly all federal programs. That is, the uncertainty associated with future levels of funding and delays in Congressional action on appropriations make it difficult for local school officials to plan effectively. If local school officials do not know whether or not funds will be available under P.L. 94-142 until after the beginning of the school year, or if the amount of funds available is undetermined, it makes it difficult for them to plan a program of educational services for the handicapped which makes the most efficient use of the total funding available. Tardy funding has the effect of discouraging careful, thoughtful planning.

This problem is similar to the problems encountered under Title I of the Elementary and Secondary Education Act. The obvious answer is to persuade Congress to forward fund P.L. 94-142 so that local school officials can achieve the most efficient use of the funds.

Table 20

Amount of P.L. 94-142, Title VI-B Excess Cost Awards to Idaho School Districts in FY 1978

Group	No. Districts	$
A	8	51,394.36
B	10	75,378.96
C	8	25,449.79
D	4	8,391.10
All Other Districts	40	127,968.98
TOTAL	70	288,583.19

Source: Final Report of FY 78 Title VI-B Excess Cost Awards to Districts, Idaho Department of Education, 1978.

Part IX. Summary and Recommendations

The results of this study of Idaho's program for educating exceptional children set forth in the preceding sections of this report may be summarized as follows:

1. Idaho's provisions for financing programs for exceptional children consist of two types of support: (a) local school districts are reimbursed by the state for 80 percent of approved expenditures for salaries paid to teachers, aides, and other ancillary personnel involved in providing educational services to exceptional children and (b) a portion of the state, county, and local funds generated by the state's foundation program for education is attributable to the exceptional child weighting factor contained in the foundation program. Because the exceptional child weighting factor is applied on a district-wide basis rather than on a school-by-school basis, the same weighting factor (1.60) is applied in virtually all school districts.

2. The Idaho program is perhaps best described as a block grant for exceptional child education, although there is no specific requirement that these funds be spent exclusively on programs for exceptional children.

3. The State Board of Education has adopted administrative rules and regulations specifying approved models for providing educational services to exceptional children and staff-student personnel ratios. The rules provide local districts firm guidelines with regard to assessment, evaluation and programming procedures while maintaining sufficient flexibility to enable local districts to serve exceptional children through a variety of programs and services appropriate to the district and the children it serves. This approach is well suited to the diversity in geographic size and population density characteristics of school districts in Idaho.

4. Regular program weighted average costs (excluding federal categorical aids) for grades K-12 ranged from $929 per full time equivalent (FTE) pupil in large districts (Group A) to $1,550 per pupil in small districts (Group D). The weighted average cost for all pupils in the sample was $970 per FTE pupil. The differential between small and large districts was $621 per pupil, a substantial and significant amount. We concluded that this difference is most likely attributable to an economy of scale factor. The economy of scale factor suggests that larger school districts are more efficient in using resources than are smaller units. Sparsity weightings in the state foundation program are intended to offset the higher expenditures per FTE pupil that characterize small districts.

5. The weighted average cost (excluding federal categorical aids) per FTE pupil in exceptional child programs ranged from $4,499 per pupil in Group A districts to $5,470 per pupil in Group C districts. Although in terms of percentage this difference is not as large as was the case in the regular programs, it is large in terms of dollars. It appears that the economy of scale factor may be one reason for the difference. Although the sparsity factors in the general state aid formula do not appear to have much affect on the foundation program allotment for special education, they do seem to have some affect on general program funding, providing more aid per pupil to small districts. It also appears that sparsity corrections have little affect on student weightings in large districts (Group A), but do begin to affect weightings in Group B districts. This may explain, at least in part, the differences in cost between Group A districts and the smaller districts.

6. When the weighted average costs per FTE pupil for resource room and self-contained classroom programs were compared across the four district size categories, no major differences were found. Resource room costs ranged from $4,675 per FTE pupil in Group D districts to $5,261 per FTE pupil in Group A districts. Self-contained classroom costs were $2,670 per FTE pupil in Group A districts and $2,772 per FTE pupil in Group B districts. The cost of communicative disorders programs, however, ranged from $10,902 per FTE pupil in Group B districts to $15,257 per FTE pupil in Group C districts. The cause of this sizeable difference was not readily apparent, although it may be a function of the small number of programs and the difficulty of attaining a program large enough for maximal efficiency in the smaller school districts.

7. The weighted average cost per FTE pupil for the resource room model was not greatly affected by the severity of student handicapping at either the elementary or secondary levels. It did, however, vary between elementary and secondary programs. Resource room costs per FTE pupil were $5,646 for all elementary programs and $4,223 for all secondary programs. This difference of $1,423 was unexpected, as was the discovery that there was a higher pupil-teacher ratio at the secondary level than at the elementary level. The difference between elementary and secondary resource room costs may result from the fact that small districts with only a few handicapped pupils tend to have only elementary resource room programs which, because of the small number of pupils, tend to have low pupil-teacher ratios and thus higher per pupil costs.

8. The costs per FTE pupil of self-contained model programs were, as we expected, quite low. The weighted average costs per FTE pupil ranged from $2,448 for secondary programs to $2,905 for ungraded, mild-moderate-severe programs. The variations in cost among self-contained programs were the smallest of any of the program

models. The relatively low cost of these programs per FTE pupil is primarily a result of the high percentage of time that pupils spend in self-contained programs.

9. The expenditures for communication disorder programs were the highest of any major program model we studied. The weighted average cost per FTE pupil in the 29 districts which provided such programs was $12,650. The costs per FTE pupil ranged from $10,982 for elementary-secondary, mild-moderate-severe programs to $15,728 for elementary, mild-moderate programs. The high cost per FTE pupil is a result of the fact that most pupils spend only an hour per week (or less) in such programs, as well as the fact that the instruction typically is on a one-to-one basis. We believe that differences in pupil-teacher ratio are responsible for most of the differences in expenditure in these programs. One may note that the highest cost program had a total of only 4.03 FTE pupils while the lowest cost program had a total of 14.8 FTE pupils.

10. There is a strong inverse relationship between the average number of hours per week pupils spend in a program and the weighted average cost per pupil as indicated by the following data:

Program	Hours Per Week In Program	Weighted Average Cost Per Pupil
Self-Contained	24.5 hours	$ 2,688
Special Design	11.9 hours	$ 4,844
Resource Room	5.5 hours	$ 5,141
Gifted and Talented	2.9 hours	$ 4,052
Communication Disorders	.9 hours	$12,650

The inverse relationship holds true for all programs except the gifted and talented program. The high inverse relationship is undoubtedly a function of the nature of high contact hour programs. They tend to be constant, predictable, and do not entail as much of the specialized attention to individual pupils which characterizes low contact hour programs. Low contact hour programs are characterized by lower pupil-teacher ratios, greater use of itinerant personnel (which are often quite costly), greater use of auxiliary services, and more attention to planning and organization.

11. This is one of the first studies of the cost of educating exceptional children in which reasonably accurate data have been available to calculate the cost per FTE pupil for various program delivery models. Most researchers have estimated costs on the basis of handicapping conditions rather than program delivery models and have been forced to calculate FTE costs on the basis of "educated guesses" rather than hard data concerning the allocation of pupils' time among various program alternatives. Using data from Table 6, one may construct estimates of cost

per full time equivalent pupil and per pupil enrolled in various program models as follows:

	Group A	Group B	Group C	Group D	All Districts
Resource room cost:					
Per FTE pupil	5261	5113	4675	4880	5141
Per pupil enrolled	954	1050	814	678	942
Self contained cost:					
Per FTE pupil	2670	2772	N.A.	N.A.	2688
Per pupil enrolled	2206	2053	N.A.	N.A.	2194
Communication disorders program costs:					
Per FTE pupil	13119	10902	15257	N.A.	12650
Per pupil enrolled	366	372	463	N.A.	366
Gifted and talented program cost:					
Per FTE pupil	N.A.	N.A.	N.A.	N.A.	4052
Per pupil enrolled	N.A.	N.A.	N.A.	N.A.	396

These estimates show clearly that while resource room programs appear to be nearly twice as costly per FTE pupil as self contained programs, on the basis of cost per pupil enrolled they are less than half as costly ($942 vs. $2194). Although stated earlier, it bears repeating that pupils in resource room programs spent an average of only 5.5 hours per week, or 18.3 percent of their time in such rooms, whereas pupils in self contained programs spent an average of 24.5 hours per week, or 81.5 percent of their time in them. These data illustrate that resource rooms represent a less costly program delivery model than self contained classrooms for those pupils whose educational needs can be met through resource room programs.

One may also calculate the total cost of educating a pupil in each of the various program delivery models as follows:

Program Model	Regular Program Cost	% Time Regular Program	Pro-rated Cost	Special Program Cost	% Time Special Program	Pro-rated Cost	Total Cost
Resource room	$970	81.7	$792	$5141	18.3	$941	$1733
Self contained	970	18.5	179	2688	81.5	2191	2370
Communication disorder	970	97.1	942	12650	2.9	367	1309
Gifted and talented	970	90.2	875	4052	9.8	397	1272

It is important to note that the total cost of educating a child in each of the program models consists of two elements--the prorated cost of the portion of the time the pupil spends in the regular program and the prorated cost of the time the pupil spends in a special program. The "excess cost" of the special program is

the difference between the cost of the regular program (in this case, $970) and the total cost of the pupil's program. For example, the excess cost of the typical pupil in a resource room program during the 1976-77 school year was $763 ($1733-$970) and the excess cost of the typical pupil in a self contained program was $1400 ($2370-$907).

12. Idaho provides a high level of financial support for programs for exceptional children from state and county revenues. When receipts for exceptional child programs were compared with expenditures for such programs, we found that revenue from counties represented 3.8 percent of expenditures and revenue from the state amounted to 78.8 percent of expenditures. Revenue from state, county and tuition receipts totaled about 83 percent of total expenditures for special education programs. Eight of the forty districts reported spending no local funds for their special education programs and seven of the eight districts reported that county and state receipts exceeded their expenditures for special education programs. It is apparent that Idaho is approaching full state funding of the programs for exceptional children provided by its local school districts. It should be emphasized that revenue from federal sources was not included in these calculations.

13. Program costs in four agencies which contracted with local school districts to provide special programs for exceptional children ranged from $3,091 to $6,870 per FTE pupil. State law provides that reimbursement to contract agencies for such programs may not exceed the cost actually incurred by the agency nor may it exceed 4.8 times the state average cost factor per weighted pupil. In three of the four contract programs we studied the cost of the program exceeded 4.8 times the weighted average cost per FTE student in regular programs. It is evident that a portion of the cost of these programs is being subsidized by the contract agency from other sources of revenue. This does not appear to be good public policy. If contract agency programs are necessary to meet the state's need for special programs, and if the programs have been reviewed and approved, then actual program costs should be reimbursed.

14. Federal funds to support educational programs for exceptional children are now flowing to local school districts under the provisions of P.L. 94-142. The funds involved are substantial--an estimated $1.84 million will flow through to Idaho school districts in FY 1979 with an additional $600,000 available for excess cost awards. The bulk of the funds available from P.L. 94-142 in FY 1977 and FY 1978 were used to support the excess cost of programs for severely handicapped pupils and to enhance the human resources available rather than to acquire hardware and equipment. In view of the high level of state support already provided in Idaho, and the widespread availability of programs for exceptional children throughout the state, Idaho may soon wish to petition the United States Commissioner of Education for permission to use federal funds to supplant state and local funds.

15. It was not possible to examine directly the cost of transporting pupils in special programs. Data on transportation expenditures do not identify separately the handicapped children who are being transported. The results of other studies suggest that most handicapped children are able to ride regular buses traveling regular routes. For such pupils transportation does not entail excess costs. However, severely handicapped students may require specially equipped vehicles (vans or buses) and, where they must be transported to another school or another district to obtain an appropriate program, considerable additional cost may be involved. A review of the excess cost awards granted during the first two years in which P.L. 94-142 funds were available suggested that local districts are utilizing these funds to help defray the high cost of transporting severely handicapped pupils to sites where educational programs appropriate to their needs can be provided.

Recommendations

We believe there are three major alternatives for funding of exceptional programs which merit consideration by Idaho policy makers. They are (1) refinements of the current program which will improve its effectiveness and efficiency, (2) adoption of a new program in which pupil weightings are used much more extensively than in the current program, and (3) adoption of a new program in which the state would fully fund exceptional educational programs provided by local school districts. We shall discuss each of these alternatives and indicate our preference. We wish to emphasize, however, that the choice should be made by those responsible for public policy in Idaho, for we are strongly committed to the philosophy that decisions affecting public education in Idaho should be made by the citizens of Idaho--either directly or through their elected public officials--and not by outsiders whether they be consultants or federal bureaucrats.

Refinement of the Existing Program

It was evident from our analysis that Idaho is already providing a high level of funding from state and county sources in support of the special education programs provided by its local school districts. It also was evident from our discussions with state and local school district personnel that the high level of state and county funding, combined with the local funding for special education programs, is providing the high level of local services necessary to adequately serve exceptional children in Idaho. In short, Idaho's present program of financial support for educational programs for exceptional children is functioning well. Care must be taken lest any changes impair the high level of service that already is being provided. Therefore, the recommendations which follow will suggest relatively minor changes in statutes or policies which will improve the existing program.

1. We recommend that the state change the way in which the exceptional child sparsity factor is applied. The statute (33-1002) provides that ten or more exceptional pupils are given a weight of 1.60, four to nine pupils are given a weight of 1.70, and less than four pupils are given a weight of 1.80. In applying these factors, however, the number of pupils is based on a district-wide count rather than on a count by individual schools. Very few, if any, districts have ten or fewer exceptional pupils, which means that in practice the 1.70 and 1.80 weightings are rarely used.

   We recommend that pupils be counted at the school level rather than district-wide for purposes of applying these weightings. This is the procedure currently employed in applying the sparsity factor established for elementary and secondary grades. We believe that counting pupils at the school level rather than the district level is more equitable and will provide more adequately for student needs than does the practice currently followed.

2. We recommend that the procedures employed in assigning weights to exceptional students at the secondary level be modified to remove the penalty now imposed for properly classifying exceptional students attending small secondary schools. All secondary students in regular programs currently are weighted by a factor of 1.30. In addition, there is a secondary school sparsity factor ranging from 1.00 to 1.70 (depending upon size of school) which may be applied for each regular secondary pupil. All exceptional students in secondary school programs receive a weight of 1.60 regardless of the size of the school they attend. Secondary schools with less than 300 pupils will find it tempting to classify an exceptional pupil as a regular pupil because it is financially advantageous for them to do so. They will be able to weight each regular pupil 1.40 (sparsity factor) plus .30 (cost factor) for a total weighting of 1.70. Thus, an exceptional student will receive a weighting of 1.70 if classified as a regular student but a weighting of only 1.60 if classified as an exceptional student.

   A weighting system should not operate in a manner which gives local districts an incentive to misclassify students! We believe that the statute (33-1002) should be amended to remove the current incentive for misclassifying exceptional secondary school pupils in small attendance units and to provide a more realistic weighting for such pupils. We recommend that in addition to the exceptional child sparsity factor of 1.60, exceptional children attending small secondary schools also be weighted by the appropriate secondary grades sparsity factor. For example, an exceptional child attending a secondary school enrolling 200-299 students of which 10 or more were classified as exceptional children would receive a total weight of 2.0--1.60 for the exceptional child sparsity factor and .40 for the secondary grades sparsity factor.

3. We recommend that a change be made in the maximum amount which may be reimbursed for pupil transportation costs. The statute (33-1006) presently establishes a maximum of $15 per week per transported child. This amount is likely to be insufficient for severely handicapped students who require special transportation vehicles or who must be transported outside the district in which they reside to obtain an appropriate program. We recommend that where the need for special transportation for an exceptional child has been established and certified by the state Board of Education, reimbursement of the full cost of such transportation be authorized.

4. We recommend that where educational programs operated under contract by public or private agencies are required in order to provide adequately for the needs of Idaho's exceptional children, the full cost of such programs be eligible for reimbursement. The statute (33-2004) currently provides for recovery of full cost up to a limit of 4.8 times the state average cost per weighted pupil. We recommend that the state Board of Education be authorized to establish and certify the need for programs provided by contract agencies, and to review and approve such programs in terms of their educational appropriateness and adequacy. Full cost recovery should be allowed for contract programs which have been certified and approved by the state Board of Education.

5. In general, we found the administrative rules and regulations established by the state Board of Education for exceptional child programs to be adequate and reasonable. We did find, however, that the communication disorders programs in the sample of districts we examined were unusually expensive. Some teachers in these programs were working with as few as 15-20 enrolled students for one hour or less per week, which seems to be an unusually light load. The data we had were not adequate to justify a conclusion that the communication disorders programs were too costly. Nevertheless, the high cost of these programs and the relatively large numbers of pupils involved in them suggest that they may deserve closer examination. We recommend that the state Board of Education carefully examine the communication disorders programs to see whether greater efficiency can be achieved.

A Program of Expanded Pupil Weightings

As an alternative to the current system the state might wish to consider a new program for support of exceptional child programs which utilizes a greatly expanded set of pupil weightings. We shall attempt in this section to illustrate how the data obtained in the present study could be used to develop a set of pupil weightings for various program delivery models. In order to show how such a program might be developed, it is necessary to establish specific objectives concerning the level of

state funding which is to be provided for special education programs in local school districts. In developing the following illustrations, we have arbitrarily assumed funding of exceptional child programs at the level of 80 percent and at the level of 100 percent of the weighted average cost per full time equivalent pupil or per pupil enrolled. The same procedure would be used at any other level of state support. We will use the resource room delivery model to illustrate the procedure and then calculate weightings for each of the other major program delivery models.

In developing the illustrations which follow, we have assumed that if such a program were adopted the existing program would be abandoned. That is, the state would no longer reimburse 80 percent of the salaries of special education personnel and there would be no separate exceptional child sparsity factor. If the state wished to retain the provision for 80 percent funding of certain personnel, it would not be difficult to develop a set of weightings which would reimburse 80 percent of the other costs of exceptional education--or any other specified level of state support.

The resource room delivery model yielded a weighted average cost of $5,141 per full time equivalent pupil for the sample as a whole. Costs ranged from $4,675 per FTE pupil in the second smallest size category (Group C) to $5,261 per FTE pupil in the largest districts (Group A). The weighted average cost per FTE pupil in the regular program for the sample as a whole was $970, with costs ranging from $929 per FTE pupil in Group A districts to $1,550 per pupil in Group D districts.

A weighting can be developed for resource room programs taken as a whole, or a separate weighting can be developed for each size category. A single weighting is simpler, of course, but it is unlikely to be the "correct" weighting for any single district since it represents an average. Since nearly all districts will be either above or below the average, one can anticipate a priori that some districts will be reimbursed more than they actually are spending and other districts will receive less than they actually are spending if a single weight is adopted. This difficulty might be overcome, at least in part, by establishing different weights for each of the school district size categories. While the weight for each category would still be an average, the variation in spending level, and hence the extent of overfunding, should be less. Of course, administration of the program becomes more complicated as additional weighting classifications are created.

If weights were established for the resource room delivery model based on the data for 1976-77 shown in Table 6, they would be as follows:

	Cost/Weighted FTE			Weight Based on Funding at	
	Regular Program (1)	Resource Room (2)	Ratio of (2):(1)	80%	100%
Group A	$ 929	$5,261	5.66	4.53	5.66
Group B	1,002	5,113	5.10	4.08	5.10
Group C	1,118	4,675	4.18	3.34	4.18
Group D	1,150	4,880	4.24	3.39	4.24
All Districts	970	5,141	5.30	4.24	5.30

Applying the above weights to actual school district data for 1976-77 (from Table 6) produces the results shown in Table 21. Note that the highest cost district in Group A will be underfunded by $2,184 at the 80 percent level and by $1,156 at the 100 percent level if the weighting is based on the average regular program and resource room program costs for all of the districts in the sample. If the average cost for each group of districts is used as the basis for the weighting applied to the districts in that group, then the highest cost district in Group A will be underfunded by $2,089 and $1,039 at the 80 and 100 percent funding levels, respectively. The lowest cost district in Group A, on the other hand, will be overfunded by from $803 to $1,948 per weighted FTE pupil, depending on the funding level and the basis used for computing weights. Similar results are evident for each of the other size categories with the largest discrepancies appearing in Group B and Group D. It is also evident that computing separate weights for each of the four groups of districts did not have much affect on the extent to which districts were either underfunded or overfunded.

Separate weights can be computed for each of the major program delivery models by using the same procedure. The results for the self contained model follow.

	Cost/Weighted FTE		Ratio of	Weight Based on Funding at	
	Regular Program (1)	Self-Contained (2)	(2):(1)	80%	100%
Group A	$ 929	$2,670	2.82	2.30	2.87
Group B	1,002	2,772	2.77	2.22	2.77
Group C	1,118	N.A.	--	--	--
Group D	1,150	N.A.	--	--	--
All Districts	970	2,688	2.77	2.22	2.77

For the communication disorders delivery model, the weights would be as follows:

	Cost/Weighted FTE		Ratio of	Weight Based on Funding at	
	Regular Program (1)	Communication Disorders (2)	(2):(1)	80%	100%
Group A	$ 929	$13,119	14.12	11.30	14.12
Group B	1,002	10,902	10.88	8.70	10.88
Group C	1,118	15,257	13.65	10.92	13.65
Group D	1,150	N.A.	--	--	--
All Districts	970	12,650	13.04	10.43	13.04

The weighting for the gifted and talented model could only be computed for the entire sample because there were not enough programs to compute separate weights for each group. The weight for 80 percent funding is 3.34 and for 100 percent funding the weight is 4.18.

Table 21

Extent of Overfunding and Underfunding of Resource Room Programs
Using Weightings Based on the Total Sample and Each Group of School Districts

District	Resource Room Cost/ FTE	Reimbursement Based on Weights For				Overfunding or Underfunding Based on Weights For			
		All Districts		Group Districts		All Districts		Group Districts	
Group A		80%	100%	80%	100%	80%	100%	80%	100%
Highest cost	$ 6297	$4113	$5141	$4208	$5258	$-2184	$-1156	$-2089	$-1039
Lowest cost	3310	4113	5141	4208	5258	+ 803	+1831	+ 898	+1948
Group B									
Highest cost	10354	4113	5141	4088	5110	-6241	-5213	-6266	-5244
Lowest cost	3117	4113	5141	4088	5110	+ 936	+1964	+ 911	+1933
Group C									
Highest cost	6962	4113	5141	3734	4673	-2849	-1821	-3228	-2289
Lowest cost	3233	4113	5141	3734	4673	+ 880	+1908	+ 501	+1440
Group D									
Highest cost	9621	4113	5141	3898	4876	-5508	-4480	-5723	-4745
Lowest cost	3074	4113	5141	3898	4876	+1039	+2067	+ 824	+1802

Many states do not presently use (and do not wish to convert to) a full time equivalent system of counting pupils. It is relatively simple, however, to convert FTE weightings to enrollment weightings if one knows the average percentage of time a student spends in a program for exceptional children and the average amount of time spent in the regular program or in other programs. Using the resource room program as an example, we can easily convert the FTE weights computed previously to a weighting per pupil enrolled.

The data displayed in Table 10 showed that pupils in the districts included in the sample were spending an average of about 18 percent of their time (5.5 hours per week) in a resource room with the rest of their time (82 percent) spent in the regular program. First, the weighted FTE pupil measure must be adjusted to reflect the percentage of time the average pupil spends in a resource room by multiplying the FTE weight by the percentage of time:

4.24 (weight for 80% funding) x .18 (percent of time) = .76

or

5.30 (weight for 100% funding) x .18 (percent of time) = .95

One additional adjustment remains to be made. If students are spending 18 percent of their time in a resource room, then 82 percent of their time is spent in a regular program and an appropriate amount must be added to the resource room weighting to account for the regular program costs. The weight assigned to the regular program can easily be adjusted to reflect the percentage of the cost of the regular program that the state wishes to provide. For example, if the state wishes to fund 50 percent of the regular program cost and 80 percent of the resource room cost, the total weight per pupil enrolled in a resource room program would be:

$$(.82 \times .5) + (.18 \times 5.30 \times .8) = .41 + .76 = 1.17$$

This weight would then be applied to the weighted average cost per FTE pupil for the state as a whole to determine the amount of state aid:

$$\$970 \times 1.17 = \$1,135$$

Weightings for each of the other major program models could be developed using this procedure if it were decided to base weightings on head counts rather than on FTE pupils. It should be noted, however, that the data on cost per FTE student are required before one can convert to a weighting for enrollment. Thus the adoption of an expanded system of pupil weightings such as we have described would entail more record keeping at the local school level and more data collection and analysis at the state level, for any system of weightings should be reviewed and revised annually.

Full State Funding of Special Education

A third alternative is to have the state assume complete responsibility for the funding of programs for exceptional children. As we noted earlier, Idaho already funds over 80 percent of the cost of exceptional child programs from state and county taxes, and this is exclusive of any federal funds now flowing to local districts under the provisions of P.L. 94-142. It would take relatively little additional money for the state to fully fund the programs for exceptional children that are provided by local school districts.

If the state were to choose this alternative, it would require that local school districts give additional attention to the accuracy with which expenditures are allocated to programs. One potential advantage of this approach is that it could be designed to accommodate the "excess cost" accounting and reporting requirements imposed by the federal legislation. On the other hand, a full state funding program would almost inevitably involve the state more heavily in local program decisions since the program for exceptional child education would be, in effect, a state program. This approach would at least jeopardize local control and we are not pursuaded that decisions made at the state level are inherently superior to those made by local school officials, particularly when they relate to educational programming for individual children. We would prefer that such decisions be made by local school personnel who can more effectively assess the individual needs of each child and design programs to accommodate them.

An Evaluation of the Alternatives

Our ranking of the three alternatives we have discussed is:

1. Refinement of the current program
2. Full state funding of programs for exceptional children
3. A new program with more elaborate pupil weightings

We concluded that Idaho's present program of state support for educational programs serving exceptional children is a good program and that it is functioning very well. A vast majority of the exceptional children in Idaho are being served adequately and appropriately. We found no evidence that exceptional children were being denied access to the educational programs they need because of inadequate funding provisions. The rules and regulations established by the state Board of Education appear to be reasonable and appropriate. They provide clear guidance to local districts, yet leave enough leeway to accommodate the diverse problems that confront local districts.

We were particularly pleased that Idaho emphasizes program delivery models rather than handicapping conditions as the basis for organizing local exceptional education programs. This procedure gives top priority

to the educational needs of the child. A child's handicap frequently tells one little about the precise educational needs of that child. Put simply, all children with visual handicaps do not need identical educational programs and all gifted children do not need the same enrichment experiences.

The present program is not perfect, of course, and we have recommended several refinements. We believe the modifications we have suggested will make an already good program even better.

We rank the full state funding program second among the three alternatives. Adoption of this approach would be a logical extension of Idaho's already high level of state support for the education of exceptional children. As noted previously, it would require greater attention to accuracy in allocating expenditures among programs and inevitably will involve the state more heavily in local program decisions. One potential problem about which one can only speculate is the possibility that local concern for education of exceptional children will diminish because it is perceived as "the state's program" rather than as "our program."

We consider the adoption of a new program of greatly expanded weightings to be the least desirable of the three alternatives. As our examples revealed, distribution of funds using weights based on state-wide averages would result in gross overfunding and underfunding of programs in some school districts. This problem was not alleviated by using weights based on averages for each of the four district categories. Clearly, such a system would be less equitable than the present program and thus would represent a step backward. Pupil weightings based on handicapping conditions or program delivery systems are very useful for state fiscal planning purposes but they have serious drawbacks when used as a basis for distributing state funds.

A Comment on Federal Aid

Local district officials expressed concern about the problems in planning which they have encountered as a result of the Congressional appropriation time table. Rarely do they know with assurance how much money will be available to their district from P.L. 94-142 funds until after the school year has begun. We recommend that Idaho educators and policy-makers work to achieve "forward funding" of P.L. 94-142 as the best way to eliminate the present uncertainties about the level of funding they can anticipate.

Finally, we noted earlier that states may use P.L. 94-142 funds to supplant state and local funds when the full service requirements of the federal legislation have been met. We suspect Idaho is rapidly approaching the point where adequate educational services will be provided to all handicapped children in the state. We recommend that Idaho determine the evidence that will be required to convince the United States Commissioner of Education that all handicapped children in the state are being provided with adequate programs and begin the task of collecting the data that will be needed to establish that fact.

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